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Practice & Tax Update

July 2014

SuperStream starting 1 July for many employers

Under 'SuperStream', employers will need to be able to make super contributions on behalf of their employees by submitting data and payments electronically.

Equally, all superannuation funds, including SMSFs, will need to be able to receive contributions electronically.

Employers with 20 or more employees

From 1 July 2014*, these employers should start using the SuperStream standard to send contribution data and payments electronically.

Note(): The ATO is being flexible on the start date, provided the employer is doing their best to implement SuperStream, and has a firm plan to do so no later than 30 June 2015.*

Employers with 19 or fewer employees

From 1 July 2015*, these employers will also be required to send contributions data and payments electronically. However, some may choose to implement SuperStream sooner.

Note(): The ATO is also being flexible on this start date, provided the employer has a firm plan to do so no later than 30 June 2016.*

Employers

Employers have two options for meeting SuperStream; either:

- (a) using software that conforms to SuperStream; or
- (b) using a service provider that can meet SuperStream on their behalf.

The ATO recommends that employers start investigating their options now, and has provided information and a list of providers on its website.

Editor: If you need any assistance with SuperStream please contact our office, and we'll be glad to get you started and walk you through the process.

ATO's new Business Viability Assessment Tool

The ATO has designed and launched a new online tool to help businesses and tax agents determine whether a business is viable.

Once the tax agent or taxpayer has answered a series of questions, they will be provided with a report that will contain an overall viability assessment of their business based on the information they have provided, consisting of:

- ❑ a summary of key financials and business performance; and

- ❑ charts that provide a visual summary of the trends of key financial results generated by the business.

Editor: If, for any reason, you would like to discuss the above tool, please contact our office.

Project DO IT update

The ATO says that its voluntary disclosure initiative, Project DO IT (in relation to taxpayers coming forward and disclosing overseas income and assets), is receiving a strong response with a number of people having already come forward to make a disclosure.

Response so far

- ◆ Over 350 inquiries.
- ◆ Almost 100 disclosures lodged.
- ◆ Strong indication that many others will make a disclosure in the near future.

Editor: To remind clients, Project 'DO IT' (i.e., 'disclose offshore income today') is an amnesty for taxpayers with offshore assets or income to voluntarily come clean by 19 December 2014.

Under Project DO IT, taxpayers:

- ❑ *are encouraged to disclose omitted income or over-claimed deductions relating to their offshore activities;*
- ❑ *will not be investigated or referred for **criminal investigation** by the ATO; and*
- ❑ *will generally only be assessed for the **last four years**.*

ATO Div.7A benchmark interest rate

The benchmark interest rate for 2014/15, for the purposes of the deemed dividend provisions of Div.7A, can now be calculated as 5.95% (down from 6.20% for 2013/14).

ATO warning on 2013/14 work-related deductions

This tax time the ATO says that, in relation to work-related expenses, it will not be limiting its attention to certain occupations.

Instead, particular attention will be paid to work-related expense claims relating to:

- ◆ overnight travel;
- ◆ transporting bulky tools and equipment; and
- ◆ the work-related proportion of use for computers, phones or other electronic devices.

2014/15 Luxury car tax (LCT) limit

The LCT threshold for the 2014/15 financial year is \$61,884 (increasing the previous year's LCT threshold of \$60,316 by an indexation factor of 1.026).

ATO campaign warns of tax time scams

The ATO is again reminding taxpayers to be wary of scams this tax time as fraudsters become more ambitious in their efforts to dupe the public into releasing their personal information.

Since 1 March 2014 the ATO has seen a spike in reports from the public of email and phishing scams from 9,368 to 11,344, compared with the same period last year.

Some of the tips for taxpayers include:

- Never share personal information, such as your TFN, myGov or bank account details on social media.
- Change any passwords that may have been shared with family or friends.

IGT – ATO debt collection

With uncollected taxes blowing out to \$17.7 billion in 2012/13 (over 60% owed by small businesses), the Inspector General of Taxation (IGT) has stepped into the fray and announced that he is going to review the ATO's approach to debt collection.

The ATO has stated that more recent increases are a result of economic conditions and its assistance to viable businesses to stay afloat, but the IGT is concerned that it is a persistent source of taxpayer complaint.

Other aspects of the ATO's debt management, including its use of third party debt collectors, have also been questioned.

Confidential submissions can be made to the IGT until 18 July 2014.

GIC and SIC rates for the 2014 September quarter

The ATO has released the 2014 September quarter rates for the General Interest Charge (GIC) and the Shortfall Interest Charge (SIC) as follows:

GIC annual rate	9.69%
GIC daily rate	0.02654794%
SIC annual rate	5.69%
SIC daily rate	0.01558904%

Please Note: Many of the comments in this publication are general in nature and anyone intending to apply the information to practical circumstances should seek professional advice to independently verify their interpretation and the information's applicability to their particular circumstances.