

October 2019

SC Accounting: Client Update

This month's update will give you some guidelines about Single Touch Payroll Exemption for Employers qualified as "Closely Help Payers", recent announcements regarding the ABN Cancellation program, as well as a reminder regarding your MyGov Account and details regarding running a home business.

Office Closure- Melbourne Cup Weekend

Please note that SC Accounting will be closed on Monday 4th and Tuesday 5th November, for the Melbourne Cup weekend.



ATO – ABN Cancellation Program

In prior months, the ATO has been focusing on inactive ABN's and has commenced a bulk ABN cancellation program. The ATO may determine that your ABN is inactive if you have Tax lodgements outstanding or if they have been notified via 3rd parties that you're no longer operating a business.

We recommend that all clients who have an ABN lodge their tax returns on time to avoid the possibility that the ATO will cancel your ABN.

If the ATO cancels your ABN, you can reapply for the same ABN or a new ABN if you have a change in your business structure.

Reminder:

Payslips Required when lodging tax returns

Due to Single touch payroll changes, Tax Agents will now have access to your MyGov employment income. There is no need for you to login to MyGov and provide us with this information (as long as your employer is using Single Touch Payroll). We recommend that you supply us with a June Payslip to allow us to verify various items including the following:

- The information uploaded into MyGov is accurate and representative of your income
- Details regarding allowances
- Details regarding workplace giving
- Details regarding any potential employee share schemes
- Other Salary Packaging information that could be relevant for your tax return.





STP (Single Touch Payroll) **EMPLOYER UPDATE: Exemption for Closely Held Payers**

On our last update, we notified employers of the Single Touch Payroll requirements for FY 2019. In summary, all taxpayers should now be receiving their PAYG Summaries via their myGov Account. However, there are some exemptions to this process and the ATO has provided some guidelines for those entities having 19 or less employees and making payments to those that are classified as “closely held payees”. The exemption allows, for payers of closely held payees to not need to report through Single Touch Payroll in the 2019-20 financial year.

To qualify for the exemption, payers of “closely held payees” must meet the definition as follows according to the ATO: “A closely held payee is one who is not at arm’s length. This means they are directly related to the entity from which they receive payments for example:

- Family members of a family business
- Directors or shareholders of a company
- Beneficiaries of a trust”

However, from 1 July 2020, payers will have to report through STP and will have the option to report “closely held payees” information quarterly by informing the ATO of that decision.

Please note that for this financial year you will still be required to provide your employees a Payment Summary and lodge a Payment Summary annual report to the ATO.

Feel free to use the following link for more information <https://www.ato.gov.au/Business/Single-Touch-Payroll/Concessional-reporting/Closely-held-payees/>



UPDATE: Home-Based Business Deductions

If you own a “home-based” business, it is important to consider the actual requirements to allow you to qualify for all associated tax deductions. Some of these deductions include, mortgage interest, rent, rates and insurance.

To be considered as a home-based business, you must meet the following definition according to the ATO: “A home-based business is one where your home is also your principal place of business – that is, you run your business at or from home, and have a room or space set aside exclusively for business activities”.

We recommend that you contact us at SC Accounting if you believe that you meet this definition as there may be other tax consequences to consider. One important aspect to consider is any potential future Capital Gain on your main residence. In most cases, you may qualify for a full exemption on any capital gain on your own home (assuming it was not a rental property), however this will be impacted and there will be capital gain consequences that must be considered if you do use your home to run your business.

UPDATE: OUR TEAM



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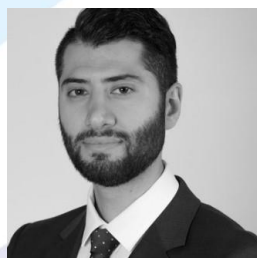
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CURRENT SERVICES AVAILABLE:

Business Accounting & Tax	Basic Individual Tax Returns	Financial Advisory
BAS, FBT, GST, State Taxes	Succession & Estate Planning	Super Advisory (SMSF)
Finance – Mortgage & Asset acquisitions	TRIS, Pensions, Super Contributions – NCC, CC	Insurance Products – Life, TPD, Income Protection
Investment Management & Monitoring	ASX / Compliance Board Advisory	Public Superannuation Fund Advisory / Tax
NDIS Service Provider – Financial Intermediary	Management Reporting, Cash Flow & Budgeting Needs	Business Advisory, Structural, Business Acquisitions and Sales
Outsourced Payroll	XERO / MYOB / QuickBooks Personalised Training Services	

Best Wishes from the team at SCA



Steve Creelman CA



Mark Caruso CPA

Please note that the above information is intended as a general guide only and is not intended as tax or investment advice. It is in a summarised format and not all information may be specific to your circumstances. If you believe that any of the above impact you, you are recommended to contact us on 95697516 to discuss your specific circumstances and if any of the above applies and the outcome of this impact.