

# GLR Accountants

## Tax & Business Specialists

'Efkon House'  
20-24 Trenerry Street  
Weston ACT 2611



Phone - (02) 6287 2655  
Email – [admin@glraccountants.com.au](mailto:admin@glraccountants.com.au)

### Summer 2019

**Wishing you all a very Merry Christmas and a Happy New Year!**

May you and your families have a safe, happy and fun Christmas. Thank you for your Patronage in 2019 and we look forward to providing you with our best of service again in 2020.  
Best Wishes to you all from the team at **GLR**.

### \*CHRISTMAS CLOSING DOWN PERIOD\*

**The office will be closed from 3pm Friday 20<sup>th</sup> December to 8:30am Monday 6<sup>th</sup> January.**

#### **The Best Tax Deductions Ever!**

Donating to charities will help those in need and is also a great way to reduce your tax bill.

**GLR** donates to & supports various charities throughout the year, including local charities like the Special Children's Christmas Party & Lifeline Canberra. And as usual at Christmas, we also donate to **World Vision**, to help buy school kits for children overseas. We hope that education will provide them a better future and help break the poverty cycle.



#### **ATO Data Matching and Share Transactions**

The ATO has extended its data matching program, this time focusing on share data.

The ATO will continue to receive share data from ASIC, including details of the price, quantity and time of individuals trades dating back to 2014, with more than 500 million records obtained.

It is important to keep purchase details for your shares, even if it is decades ago. If you need help with this, ask us. We can keep a "share register" for you to assist.

#### **"Outrageous" deductions rejected**

The ATO has published some of the most unusual claims that they disallowed last financial year.

Nearly 700,000 taxpayers claimed almost \$2 billion of 'other' expenses, but the ATO's systematic review of claims had found, and disallowed, some very unusual expenses, including:

- ◆ Claims for Lego sets bought as gifts for children, and sporting equipment or membership fees for their child athletes;
- ◆ Claims for dental expenses ("believing a nice smile was essential to finding a job")
- ◆ Some taxpayers tried to claim the purchase of a brand new car (in excess of \$20,000 each!), with one "particularly charitable" taxpayer trying to claim for a car purchased as a gift for their mother;
- ◆ One taxpayer made a claim for "the cost of raising twins", while another claimed for the "cost of raising three children";
- ◆ Other taxpayers claimed child support payments, private school fees, school uniforms, before school care and other school expenses, as well as health insurance costs and medical expenses; and
- ◆ One tax payer decided to claim the cost of their wedding reception

## Continued focus on the cash economy

ATO Assistant Commissioner, Peter Holt, has announced that, in the 2019/20 financial year, the ATO will be visiting a further 10,000 small businesses across the country, including up to 500 small businesses in Tasmania.

He further said that businesses that advertise as 'cash only' and businesses that are operating outside of the ATO's performance benchmarks for their industry will be especially targeted for a visit from the ATO.

"Businesses that pay cash in hand, or fail to lodge income tax or business activity statements, get an unfair advantage and make it harder for other businesses who are doing the right thing. By detecting and addressing this behaviour, we're helping ensure a level playing field for honest small businesses."

Businesses in the following industries are most likely to get a visit from the ATO:

- ◆ Restaurants and cafes;
- ◆ Vehicle repairs
- ◆ Hairdressers and nail salons'
- ◆ Construction businesses;
- ◆ Clothing stores;
- ◆ Grocery stores / small supermarkets

Whilst on the road, ATO officers will also be available to help those businesses that are trying to do the right thing.

Mr Holt said that the ATO will not hesitate to take strong enforcement action against those deliberately avoiding their tax and super obligations and the visits may uncover this deliberate non-compliance.

*"If businesses know they have made mistakes we encourage them to let us know and work with us on their tax professional."*

## ATO Scam Update

According to the ATO scam report:

- ◆ 6,179 online scam reports were received in the first month of their new online reporting form going live;
- ◆ 6,645 phone scam reports were officially recorded, and 465 phishing scam emails were reported to [reportemailfraud@ato.gov.au](mailto:reportemailfraud@ato.gov.au);
- ◆ 520 taxpayers provided scammers with their personal information including date of birth, tax file number, driver's licence number and notice of assessment details; and
- ◆ \$197,057 was reported as being paid to scammers, mostly by iTunes and Google Play.

## Continued ATO Focus on Holiday Rental Homes

The ATO has recently advised that they are "setting their sights on the large number of mistakes, errors and false claims made by rental property owners who use their own property for personal holidays."

While it confirms that the private use of holiday homes by friends and family is entirely legitimate the ATO states that such use reduces a taxpayer's ability to earn income from the property, and therefore reduces the amount of claimable deductions.

As a result, the ATO has reminded holiday home owners that:

- They can only claim deductions for a holiday home with respect to periods it is genuinely available for rent.
- They cannot place unreasonable conditions on prospective tenants/renters, set rental rates above market value, or fail to advertise a holiday home in a manner that targets people who would be interested in it and still claim that the property was genuinely available for rent
- Where a property is rented to friends or relatives at 'mates rates', they can only claim deductions for expenses up to the amount of the income received.
- Property owners whose claims are disproportionate to the income received can expect greater scrutiny from the ATO.



## Single Touch Payroll Update

The Commissioner of Taxation, Chris Jordan, recently made a personal guarantee that the ATO's approach to STP will be "flexible, reasonable and pragmatic".

In particular, despite the 1 July 2019 start date for small employers, the Commissioner has stated that they can start STP reporting at any time from **1 July 2019 to 30 September 2019**.

This effectively provides a **three-month implementation reprieve** for small employers.

The ATO has also indicated that there will be no penalties for mistakes, missed or late reports for the first year and exemptions will be provided from STP reporting for employers experiencing hardship, or in areas with intermittent or no internet connection.