



ATO Update

Stage 3 Tax Cuts

The Federal Government has recently passed legislation for tax cuts that will apply from 1st July 2024. The changes to the tax rates are shown below:

	Current Tax Rate	From 1/7/24
\$nil to \$18,200	0%	0%
\$18,201 to \$45,000	19%	16%
\$45,001 to \$135,000 (was \$120,000)	32.5%	30%
\$135,001 to \$190,000 (was \$180,000)	37%	37%
\$190,001 and over	45%	45%

Most taxpayers will notice an increase in their take home pay from 1st July 2024.

Small Business Tax Concessions

The ATO has recently issued a reminder that small business owners may be eligible for concessions on the amount of tax they ultimately pay.

This depends on their business structure, their industry and their aggregated annual turnover.

For example, small business owners who have an aggregated annual turnover of less than:

- \$2 million can access the small business CGT concessions;
- \$5 million can access the small business income tax offset; and
- \$10 million can access the small business restructure roll-over.

The ATO expects small business owners to check their eligibility each year before they apply for any of these concessions.

Furthermore, taxpayers generally need to keep records for five years to prove any claims they make.

We are always on the look-out for what tax concessions may be of use to our clients based on their individual circumstances. These small business concessions in particular, can be very beneficial when applicable.

Staff Update

To assist you with planning appointments we wish to advise of the following staff members work changes:

Sharon Robertson

Sharon will be away on leave from Wednesday 20th March 2024 to Wednesday 27th March 2024. She will return to work on Thursday 28th March 2024.

Cherese Mackley

Cherese will be away on leave from Friday 22nd March 2024 and will return after the Easter Break on Tuesday 2nd April 2024.

Dallas Landwehr

Dallas will be away on leave during the Easter school holidays. He will be in the office a few hours per week for appointments during this period, and contactable via email.

Dallas will also be away on leave from Monday 6th May to Friday 17th May 2024. He will return to work on Monday 20th May 2024.

Fair Work Act Changes In 2024

Employers started 2023 looking at a range of significant changes to the Fair Work Act (the Act) and amendments continued to be made throughout the year. The most recent changes arise from Closing Loopholes Bills 2023, which was passed in two tranches.

The first bill includes changes to:

- Same job, same pay for labour hire workers
- Workplace delegates' rights for employees and expanded right of entry rules for unions
- Non-attendance at protected action conferences
- Small business redundancy exemption
- Wage theft (already part of Victorian state legislation)
- Discrimination protections for family and domestic violence
- Amendments to the Asbestos Safety and Eradication Agency Act 2013, the Safety, Rehabilitation and Compensation Act 1988 and the Work Health and Safety Act 2011.

The second bill includes:

- Definitions of employees and employers;
- 'Employee-like workers' and road transport contractors;
- Rights for casual workers;
- Extended FWC powers for bargaining;
- Protections for independent contractors;
- Establishment of a statutory right to disconnect.

For more information visit the VACC website [here](#).

In this issue

Stage 3 tax cuts,
Changes in reporting requirements for sporting clubs,
Fair Work Act changes in 2024,
P.1
Rental property data matching,
Victorian property tax changes,
Super contribution caps to rise,
P.2

Changes In Reporting Requirements For Sporting Clubs

Not for profits ('NFPs'), including sporting clubs, societies and associations with an active ABN, need to lodge an annual NFP self-review return to continue accessing their income tax exemption.

The main purpose of a sporting organisation must be the encouragement of a game, sport or animal racing. Any other purpose of the organisation must be incidental, ancillary or secondary.

The organisation's governing documents will help identify the purpose for which it was set up, and the organisation's activities in the year of income must then demonstrate that the main purpose is the encouragement of its game, sport or animal racing.

NFP organisations need to lodge their first NFP self-review return for the 2024 income year between 1 July and 31 October 2024.

NFP organisations with their own ABN need to complete their own NFP self-review return even if they are affiliated with a broader sporting group.

If an NFP organisation does not lodge the return, they may become ineligible for an income tax exemption and penalties may apply.

New ATO Guidance On "Who Is An Employee?"

The ATO recently issued a ruling (TR2024/3) which explains when an individual is an 'employee' of an entity for pay as you go ('PAYG') withholding purposes.

A useful approach for establishing whether or not a worker is an employee of an engaging entity is to consider whether the worker is working in the business of the engaging entity, based on the construction of the terms of the relevant contract. Importantly, the fact that a worker may be conducting their own business, including having an ABN, is not determinative.

Super Contribution Caps To Rise

The big news story for those contributing to super is that the annual contribution caps are set to increase from 1st July 2024.

The **concessional contribution** (CC) cap will increase from \$27,500 to \$30,000. This 'CC' cap is broadly applicable to employer super guarantee contributions, personal deductible contributions and salary sacrificed contributions.

The non-concessional contribution (NCC) cap will increase from \$110,000 to \$120,000. This 'NCC' cap is generally applicable to personal non-deductible contributions.

The increase in the NCC cap also means that the maximum available under the three-year bring forward provisions will increase from \$330,000 to \$360,000. This is provided that the 'bring forward' is triggered on or after 1 July 2024.

The 'total superannuation balance' threshold for being able to make non-concessional contributions (and the pension general transfer balance cap) will remain at \$1.9 million

New Fuel Tax Credit Rates

On 5th February 2024, the fuel tax credits increased as part of the ATO’s six monthly indexation.

Please note that the relevant date is the acquisition date of the fuel, and not when you paid for the fuel.

Below are the fuel tax credit rates for fuel purchases that will be relevant for the December 2023 and March 2024 quarter BASs. The rates are shown in cents per litre (cpl):

Fuel Delivery Date	Heavy vehicles (GVM > 4.5T) travelling on a public road	Off public roads/ Agri-culture
1/8/23 to 4/2/24	20.0cpl	48.8cpl
NEW From 5/2/2024	20.8cpl	49.6cpl

Rental Property Data Matching

The Tax Office have increased their data matching capabilities in relation to rental bond money. This data, together with third-party rental data from property managers, banks, landlord insurers and sharing economy providers gives us insight into the Australian rental market.

While many landlords remember to include regular rent received in their tax return, any bond money they retain is often missed.

If you as a landlord have retained some of the bond money then this money needs to be included in the rental schedule on your tax return.

If you have forgotten to advise BCH that you have retained some of the bond money, please advise BCH so that we can lodge an amended tax return as soon as possible.

Free Small Business Cyber Training

The Council of Small Business Organisations Australia (COSBOA) are making cyber security simple for Australian business.

The Cyber Wardens program is an education tool designed to build a cyber-smart small business workforce. Cyber Wardens training can help you defend against digital break ins and help you keep cyber criminals out of your business.

Educating your team about cyber threats will help to protect your small business. Anyone can be a Cyber Warden and help. The best part is you don’t have to be tech-savvy or an IT wizard to put your hand up.

Just like workplace safety officers help to keep small business safe from physical hazards, Cyber Wardens will use the same skills to prevent and protect against digital threats. A trained Cyber Warden could save your small business \$50,000.

95% of cyber-attacks target people who work in your business which is why your whole team needs to develop their cyber safety skills.

Learn how to help protect your business from cyber in three simple steps by [enrolling](#) in this free small business cyber training. [Cyber Wardens](#) training is free, quick, and made for small businesses by small business.

Victorian Land Tax Increase

Any land currently exempt from land tax (like your family home), will be exempt from this land tax surcharge. If you have received a land tax assessment for farmland, please contact the BCH office.

The land tax surcharge first applies from the 2024 land tax assessment (for land owned at midnight on 31 December 2023). The surcharge will apply to total landholdings as follows:

Total Land Value	Surcharge
\$50,000 to \$100,000	\$500
\$100,001 to \$300,000	\$975
Over \$300,000	\$975 + 0.1% extra land tax

The above rates are for individuals. For trusts landholders the first two surcharge amounts are the same, however the top rate applies from a land value threshold of \$250,000 instead of \$300,000.

The land tax surcharge thresholds are much lower than normal land tax assessments. Therefore there will be many people who have not been subject to land tax in the past who will be subject to the land tax surcharge.

Victorian Property Tax Changes

Effective from 1st January 2024, the new State Taxation Acts and Other Acts Amendment Act 2023 introduces significant changes to property taxes in Victoria.

Land Tax and Windfall Gains Tax

Under new provisions and amendments to the Property Law Act 1958 (Vic) and Sale of Land Act 1962 (Vic) which apply to contracts of sale of land entered into after 1 January 2024 and onwards, vendors will be prohibited from passing on any portion of their Land Tax liability to a purchaser.

Any Land Tax liability on a property being sold must be paid in full by the Vendor at or before settlement and can no longer be adjusted between the vendor and purchaser. This new law applies to the sale of property up to \$10 million. Parties to high value transactions of \$10 million or greater may still negotiate the adjustment of Land Tax between themselves.

A primary objective of the new law is to increase the transparency of the settlement costs payable by purchasers and to prevent Land Tax being payable by purchasers who otherwise would not pay any Land Tax due to the principal place of residence exemption. The flip side to this is that vendors paying Land Tax will be responsible for the full year of settlement despite not owning the property for the full year.

Moving forward, it will be an offence to enter into a contract of sale for less than \$10 million that apportions any Land Tax liability to the purchaser. Such a clause in a contract of sale will be unenforceable and may result in a fine up to 60 penalty units for individuals and up to 300 penalty units for corporations. These penalties total \$11,539 and \$57,693 respectfully.

Similar provisions also apply to Windfall Gains Tax which is less common and payable where an owner benefits from a windfall gain due the re-zoning of a property.

Vacant Residential Land Tax

Vacant Residential Land Tax (VRLT) is a tax payable in addition to Land Tax where certain properties capable of being used for residential purposes are vacant/unoccupied for more than 6 months in a calendar year. The tax was introduced to help address the lack of housing supply in Victoria. Previously the tax was limited to properties in 16 inner and middle Melbourne areas and was 1% of the capital improved value of the land. Due to come into force from 1 January 2025, new provisions are expanding these geographical restrictions to include **land anywhere in Victoria** and the tax will increase for consecutive years capped at 3% after 3 years:

- Year 1 – 1%
- Year 2 – 2%
- Year 3 – 3%.

There are some exemptions to VRLT, such as holiday homes that are used for at least 4 weeks of the year or if your home is being renovated.

To incentivise the development of empty land and increase the housing supply in Melbourne, from 1 January 2026, the VRLT will also apply to unimproved residential land in the metropolitan area. Developers or investors could attract a significant increase in annual tax if they do not develop or sell properties within 5 years.

Although the changes to VRLT are not implemented until 1 January 2025, the tax will relate to land held during the 2024 calendar year.

Source: Sinisgalli Foster Legal