



ATO Update

Electric Vehicle Home Charging Rates

The ATO recently released draft guidelines setting out a methodology for calculating the cost of electricity when an electric vehicle ('EV') is charged at an employee's or individual's home.

The employer or individual can choose if they want to use the "EV home charging rate" in the draft guidelines, or if they would like to determine the cost of the electricity by determining its actual cost.

The cents per kilometre rate for the 2022/23 financial year is 4.2 cents per km, which is multiplied by the total number of relevant kilometres travelled by the electric vehicle in the relevant income year.

The choice is per vehicle and applies for the whole financial year. However the method can be changed from year to year.

However, if electric vehicle charging costs are incurred at a commercial charging station, a choice has to be made:

- The EV home charging rate can be used, but only if the commercial charging station cost is disregarded.
- If the commercial charging station cost is used, the EV home charging methodology cannot be applied. Further, all necessary records (such as receipts) must be kept to substantiate the claim, as per normal record-keeping rules.

To rely on the EV home charging rate, you will need to keep a record of the distance travelled by the car for the year (usually odometer readings). You will also need to keep records of electricity bills to show that electricity costs have been incurred.

Please be aware that these guidelines can only be relied on for zero emissions vehicles (not hybrids or PHEVs).

Are You Interested In A Tax Planning Review?

Would like a review of your trading results for the current financial year before 30 June to discuss your options to legally minimise your tax?

We would be happy to assist you with evaluating year-end strategies that may be beneficial to your business including the impact of full expensing of depreciable items, deferring income, and prepaying expenses. Please ring our office to book an appointment on (03) 5381-1088.

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IT'S THE END OF AN ERA AT BCH ACCOUNTANTS
AFTER MORE THAN 35 YEARS, RHONDA IS RETIRING

COME AND JOIN IN THE
CELEBRATIONS AS WE FAREWELL

Rhonda Tursi

FRIDAY 7TH JULY 2023
AT 6:30PM

at CAFE JAS
Roberts Avenue HORSHAM

RSVP
30th June 2023

Proposed Increase to Victorian Land Tax

In the 2023/24 Victorian State Budget, the government announced an increase to the annual land tax levied on properties.

Any land currently exempt from land tax (like your family home), will be exempt from this land tax surcharge.

The land tax surcharge first applies from the 2024 land tax assessment (for land owned at midnight on 31 December 2023), and the assessment will issue around March 2024.

The proposed surcharge will apply to total landholdings as follows:

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.

Rental Property Data Matching

The ATO has advised that it is collecting information on rental properties relating to:

- Landlord insurance policies – including premiums paid and claim payouts received;
- Investment Property Loans – to ensure that interest and borrowing expense deductions are correct;

Secure Jobs Better Pay Changes For June 2023

From Tuesday 6 June 2023, significant changes relating to the Fair Work Legislation Amendment (Secure Jobs, Better Pay) Act 2022 came into effect.

The Act introduced changes to bargaining and enterprise agreements, disputes about flexible working arrangements and extensions of unpaid parental leave, and pay secrecy.

For more information, click [here](#).

Staff Update

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

Rhonda Tursi

Rhonda will be away on leave from Tuesday 13th June to Thursday 22nd June 2022. She will return to the office on Tuesday 27th June 2023 until her retirement on 30th June 2023.

Sharon Robertson

Sharon will be away on leave from Monday 7th August to Friday 11th August. She will return to the office on Monday 14th August.

Rod Taylor

Rod will be away on leave from Monday 7th August to Friday 25th August 2023. He will return to the office on Monday 28th August 2023.

ATO Audit Targets This Tax Time

The ATO has announced three key areas that it will be focusing on for Tax Time 2023:

- Rental property deductions:
 - Includes incorrectly apportioned claims for interest deductions (not removing the private proportion), especially when property loans are refinanced;
- Work-related expenses;
 - After COVID many people are now back working in the office so their home office claims may not be the same as last year;
 - Home office methods of claiming have also changed from last year;
- Capital gains tax:
 - Consider the disposal of all assets including shares, crypto, managed investments and properties.
 - If you have used your property to earn rental income at any time – whether all or part of the property, then capital gains may apply to either part of the gain, or the full gain.

Ride Sourcing Data Matching Program

The ATO will acquire ride sourcing data relating to approximately 200,000 individuals to identify individuals that may be engaged in providing ride sourcing services during the 2022/23 financial year.

The data items include:

- Identification details (driver identifier, ABN, driver name, birth date, mobile phone number, email address and address); and
- Transaction details (bank account details, aggregated payment details, gross fares, net amount paid to driver, and all other income to which GST may or may not apply) of all payments received in the relevant period.

The data will be used to identify and inform ride sourcing providers of their tax obligations as part of information and education campaigns.

Wages And Superannuation Changes from 1 July 2023

Increase of Super Guarantee rate to 11.0%

From 1 July 2023 the SG rate will increase from 10.5% to 11%. Employers will need to use the new rate to calculate super on payments made to employees on or after 1 July 2023.

Please ensure that you have processed all your June 2023 wages before you update your software to the new superannuation [rate](#).

Minimum Wage Changes

With the recent decision by the Fair Work Commission to the minimum wage and Award rates, many staff will be eligible for a wage increase for wages paid on or after 1st July 2023.

Please check the appropriate relevant Awards for your employees to ensure that all staff are being paid at least the minimum hourly rate. More information on the announcement can be found [here](#).

Temporary Full Expensing Ends Soon

Deductions under ‘temporary full expensing’ are only available in the 2021, 2022 and 2023 income years, and will come to an end on 30 June 2023.

From 1st July 2023, small businesses will only be able to immediately claim assets costing less than \$20,000 (after claimable GST has been deducted).

Therefore if you wish to immediately claim the full cost of an eligible asset, please ensure that it is available for use in your business on or before 30 June 2023.

‘Side Hustles’ In the ATO’s Sights

‘Side hustles’ have really grown over the past few years – everything from the gig economy and drop shippers, to content creators and influencers.

The ATO recognises that it can be hard to know how to treat income when earning money from side hustles, especially when an individual has several, so the ATO has prepared some tips.

First, the individual needs to know if they are 'in business'. If so, they may need to think about registration and tax obligations. If they are not in business, but are looking to start one, they should know how to "set themselves up for success".

Also, if a side hustle means the individual is now a director of a company, they must make sure they apply for a director ID (which is free).