



Quarterly Update

Spring 2023

ATO Update

Superannuation Guarantee Rate Has Increased

Businesses that have employees, or hire eligible contractors, will need to ensure that their payroll and accounting systems are updated to reflect the new super guarantee rate of 11% for payments of salary and wages that are made from 1 July 2023.

Businesses need to calculate super contributions at 11% for their eligible workers for payments of salary and wages they make from this date.

Super contributions for the quarter ending 30 June 2023 (due by 28 July 2023) are still calculated at the 10.5% rate for payments of salary and wages made prior to 1 July.

Minimum Annual Payments For Super Income Streams

The ATO reminds taxpayers that an SMSF must pay a minimum amount each year to a member who is receiving a pension that commenced on or after 20 September 2007 (e.g., account-based pensions). If the minimum payment is not made by 30 June, this can result in adverse taxation consequences for the member.

In response to COVID-19, the government temporarily reduced superannuation minimum drawdown requirements for account-based pensions and similar products by 50% for the 2020, 2021, 2022 and 2023 financial years.

However, for the 2024 financial year, the 50% reduction in the minimum pension drawdown rate will no longer apply.

This means that, from 1 July 2023, when taxpayers calculate the minimum annual payment for their pension, the 50% reduction will not apply to the calculated minimum annual payment.

Staff Update

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

Cherese Mackley

Cherese is currently away on leave until Friday 15th September. She will return to work on Tuesday 19th September 2023. Cherese will also be away on leave from Tuesday 3rd October to Friday 6th October 2023. She will return to work on Tuesday 10th October 2023.

Dallas Landwehr

Dallas will be away on leave from Friday 15th September to Friday 29th September 2023. He will return to work on Monday 2nd October 2023.

Announcement

We are pleased to announce our colleague Sharon Robertson has joined Cherese and Dallas as our newest Director.

With nearly two decades of accounting experience, Sharon's new role in the firm reflects her dedication and passion for supporting our clients' growth and success.

Sharon has been an integral part of the BCH team for the past 12 years, with a deep understanding of the challenges and opportunities faced by farms, businesses and individuals in our area. Sharon will continue to deliver the high level of service you expect from BCH Accountants, with a keen focus on continuous improvement.

Cherese, Dallas & Sharon thank all of our valued clients for choosing BCH Accountants, and we look forward to supporting your continued success.

Lodging Of Taxable Payments Annual Reports

The ATO reminds taxpayers that the lodgement of their *Taxable payments annual report* ('TPAR') is now overdue. A TPAR is required to be lodged for payments made to contractors providing the following services:

- building and construction;
- cleaning;
- courier and road freight;
- information technology; and
- security, investigation or surveillance.

TPARs are due by 28th August each year and penalties may apply if they are not lodged on time. Taxpayers can help prepare for their TPAR by keeping records of all contractor payments. Taxpayers that do not need to lodge a TPAR this year can submit a TPAR non-lodgment advice form to let the ATO know and avoid unnecessary follow-up.

Taxpayers can refer to the ATO's website for more information about TPARs, including who needs to report and how to lodge.

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Changes To Deductions This Tax Time

Taxpayers who are small business owners operating from home, or who use a vehicle for business purposes, need to be aware of some changes when claiming deductions this tax time, including the following:

Cents-per-kilometre method

The cents-per-kilometre method for claiming car expenses increased from 72 cents to 78 cents per kilometre in the 2023 income year. For taxpayers using this method, the 78 cents per kilometre rate covers all their vehicle running expenses, including registration, fuel, servicing, insurance, and depreciation. Taxpayers using this method cannot claim these costs separately.

Work from home business expenses

For the 2023 income year, the 'fixed rate method' (for taxpayers operating their business from home) increased from 52 cents to 67 cents per hour worked from home, and taxpayers are no longer required to have a dedicated home office space.

The fixed rate method covers electricity, gas, stationery, computer consumables, internet, and phone usage.

Taxpayers can also claim separate deductions for expenses not included in the hourly rate, such as the decline in value of depreciating assets, e.g., laptops or office furniture.

Managing Business Cashflow

Cashflow is very important in your business. The business.gov.au website has some helpful tips including:

1. Plan your cashflow;
2. Organise your finances;
3. Put money aside;
4. Adjust your cash in and out;
5. Check if you are on track;
6. Get help;

For more detailed information, please visit the business.gov.au website [here](#), or contact the BCH office.

New Fuel Tax Credit Rates

On 1st August 2023, 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 September 2023 quarter BAS. 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
1/2/23 to 30/6/23	20.5cpl	47.7cpl
1/7/23 to 31/7/23	18.8cpl	47.7cpl
NEW From 1/8/2023	18.9cpl	48.8cpl

The ATO’s Fuel Tax Credit calculator can be found [here](#).

Know Your Private Company Loan Arrangements Before You Lodge

The ATO advises taxpayers that, if they or an associate take a loan from their private company, they should not forget the requirements of repaying a private company loan for income tax purposes. Otherwise, they could find the loan treated as a Division 7A deemed dividend and included in their, or their associates', assessable income.

Taxpayers should consider the following in particular before lodging their private company tax return:

- ensure their loan is a Division 7A complying loan and make minimum yearly repayments; and
- they can’t borrow further money or assets from the same company, directly or indirectly, to make minimum yearly repayments or repay the loan – if they do, these payments may not be taken into account and could result in an assessable deemed dividend.

The ATO encourages taxpayers to check their loan repayments.

Please contact the BCH office if you require assistance in relation to your loan arrangements.

Claiming GST Credits For Employee Expense Reimbursements

Employers may be entitled to claim GST input tax credits for payments they have made to reimburse employees for expenses that are directly related to their business activities.

A 'reimbursement' is provided when a taxpayer pays their employee the amount, or part of the amount, of a particular work-related purchase they make.

Employers are **not** entitled to a GST input tax credit if they pay their employee an allowance, or make a payment based on a notional expense, such as a cents-per-kilometre payment, travel or meal allowance.

An 'allowance' is provided when a taxpayer pays their employee an amount for an estimated expense without requiring them to repay any excess.

Taxpayers are expected to hold sufficient evidence to substantiate their claim, such as a tax invoice for the purchase that is being reimbursed.

Digital Tools And Software

Your business may benefit from using a range of digital tools and software. You may want to streamline your processes, stop updating manual spreadsheets, or boost your online customer service.

Using online tools and software can help your business:

- automate operational tasks
- improve efficiency and productivity
- increase security of your customers information
- connect with employees.

Steps to do before using digital tools

1. Set your business goals;
2. Know how to keep your business safe from cyber threats;
3. Compare the value of digital tools;
4. Inform and manage change with your employees;

Digital tools to run your operations

- Accounting;
- Customer relationship management;
- Inventory/stock management;
- Job management;
- Rostering of staff;
- Time management;
- Marketing tools;
 - Email;
 - Social media;
 - Website;
 - Text messages (SMS);
- Team/staff collaboration;

For more information, please visit the [business.gov.au](#) website [here](#).

Source: business.gov.au

Record Keeping For Capital Gains

When you sell or dispose of investment assets you may make a capital gain or capital loss. It is therefore very important to keep records of all your transactions associated with acquiring, holding and disposing of your investments. Common investment assets include:

- Rental properties;
- Holiday homes;
- Vacant land;
- Shares;
- Cryptocurrency;

Cost Base

The asset cost base includes:

- Purchase price paid;
- Brokerage (for shares);
- Title fees and stamp duty (for property);
- Legal fees;
- Ownership costs that have not been claimed as a tax deduction;
- Improvements not claimed on tax;

Examples of information to keep include the purchase contract and settlement statement for property, and the share buy contract for shares.

Note that if there was no physical payment for the investment asset (eg. acquired via inheritance), then special market valuation rules may apply – refer to Inherited Assets below.

Capital Proceeds

The amount you received, or the market value of the asset on the disposal of the asset.

Timing Of CGT Event

The timing of the CGT (asset disposal) date is important because this is the tax year that you report your capital gain or loss in. For shares and property, this is usually when you enter the contract of sale, which may or may not be the same financial year that you receive the capital/sale proceeds.

Disposing Of Assets

You can dispose of your investment assets in many ways including:

- Selling to a third party;
- Giving them away;
- Transferring to family members;
- Share buy-backs, mergers, takeovers, demergers (for shares);

Inherited Assets

The cost base for inherited assets depends on when the deceased acquired the asset. If the deceased acquired the asset before 20 September 1985 (pre-CGT), your cost base will be the market value of the asset on the day the deceased died.

For all assets the deceased acquired on/after 20 September 1985, your cost base will be the same as the deceased’s cost base when they died.

The executor of the deceased’s estate will be a handy source of information for the cost base of your inherited shares.

Grants For Every Business

The Australian Government has a range of grants available to help all kinds of business. Grants are being added and removed from the list all the time.

By visiting their website you can find all the grants available in one place. You can also create a shortlist of grants as you browse so it is easy to go back to a grant that you found earlier.

The grants website can be found [here](#).