

# Practice Update

Please read this update  
and contact our office  
if you have any queries

June 2019

## 2019/20 Federal Budget Update

The Government handed down the 2019/20 Federal Budget on Tuesday 2 April 2019.

Some of the important proposals include:

- ◆ Increasing and expanding access to the instant asset write-off from 7.30 pm (AEDT) on 2 April 2019 (i.e. 'Budget night' until 30 June 2020, as follows:
  - Increasing the instant asset write-off threshold from \$25,000 to **\$30,000**, as explained below.

## New rules for immediate write-offs

Small business entity ('SBE') taxpayers who choose to depreciate their assets under the simplified depreciation rules are entitled to an immediate deduction with respect to **low-cost assets** in the year they are first used or installed ready for use for a taxable purpose.

SBE taxpayers may be entitled to an immediate deduction in the 2019 income year for acquiring certain depreciating assets costing up to \$30,000 (net of GST) for assets used or installed ready for use 2 April 2019 until 30 June 2019.

Assets acquired prior to 2 April 2019 may also be eligible for immediate write-off, although the thresholds are lower (e.g., the threshold is \$20,000 for assets used or installed ready for use from 1 July 2018 until 28 January 2019, and \$25,000 for assets used or installed ready for use from 29 January 2019 to 2 April 2019).

- ◆ Allowing individuals aged 65 and 66 years to:
  - Make voluntary superannuation contributions (both concessional and non-concessional) without meeting the work test from 1 July 2020; and

- Make up to three years of non-concessional contributions under the bring-forward rule (without satisfying the work test).

- ◆ Increasing the upper threshold of the 19% personal income tax bracket to \$45,000 from 1 July 2022, and reducing the 32.5% marginal tax rate to 30% from 1 July 2024
- ◆ increasing the Low and Middle Income Tax Offset ('LAMITO'), with effect from the 2019 income year, to provide tax relief of up to \$1,080 per annum, as well as an increased base amount of \$255 per annum.

## 2019/20 NSW Budget

The NSW Government has announced various assistance measures in the latest budget including an additional \$185 million to go towards on-farm drought support measures including:

- ◆ \$70 million for transport subsidies (stock, fodder and water);
- ◆ \$50 million to waive Local Land Services rates;
- ◆ \$30 million to waive fixed charges for NSW Water Licences;
- ◆ \$15 million for emergency water carting; and
- ◆ \$10 million to waive interest charges for Farm Innovation Fund loans.

For further information about NSW Government drought support measures, visit [www.droughthub.nsw.gov.au](http://www.droughthub.nsw.gov.au)

## Single Touch Payroll (STP) Update

As a reminder, small employers (under 19 employees) need to start reporting through STP anytime from 1 July 2019 to 30 September 2019.

We are still working through the pro's and con's of the various accounting software suppliers including Phoenix, Reckon, MYOB and the low cost stand-alone options. We plan to provide suggested one on one solutions over the next month.

Note also that small employers do not need to report 'closely held payees' (family employees paid with their own business) in 2019/20 and can report these payees information quarterly from 1 July 2020.

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### Employees and payment summaries

- Employers that are not yet reporting through STP will continue to provide employees with a payment summary by 14 July.
- Employers that report through STP are **no longer** required to give employees a payment summary; instead this information will be provided in an 'income statement', available via the employee's myGov account

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### Paying super to backpackers

The ATO has issued the following reminders to employers, that backpackers on working holidays:

- are considered temporary residents, and are entitled to superannuation guarantee if they are paid \$450 or more before tax in a calendar month; and
- who leave Australia can claim the super paid to them as a Departing Australia superannuation payment ('DASP'), providing all requirements are met.

Anyone employing backpackers should:

- check they hold a valid visa using the Visa Entitlement Verification Online ('VEVO') service;
- use the ATO's *Super guarantee eligibility decision tool* to determine if they are eligible for super;
- offer them a choice of super fund if requested, and follow the same steps as for any other worker before they start working for the employer; and
- advise them that they can start their DASP application using the ATO's free online application system while they are in Australia.

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### Scammers impersonate ATO phone numbers

The ATO is warning that scammers have adopted 'Robocall' technology to target taxpayers across the country.

The ATO have advised: "Scammers are sending pre-recorded messages in record numbers and are manipulating caller ID so that your phone displays a legitimate ATO phone number despite coming from an overseas scammer".

"If the scammers do make contact, they will request payment of a tax debt – usually through unusual methods like bitcoin, gift cards and vouchers. Legitimate ways to pay your tax debt are listed on our website. The scammers will threaten you with immediate arrest, attempt to keep you on the line until payment is made and may become rude or aggressive."

The technique of displaying misleading phone numbers is known as "spoofing" and is commonly used by scammers in an attempt to make their interactions with taxpayers appear legitimate.