

# Member webinar: End of Year Tax Issues 2024

11 June 2024

Online



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# End of Year Tax Issues 2024

Presenter:

**Robyn Jacobson, CTA, FCA, FCPA**

Senior Advocate, The Tax Institute

# Content

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## Session outline

What we know — Individuals, Businesses and organisations, Division 7A and section 100A, Trust distributions, Superannuation, TASA changes

What we are waiting on

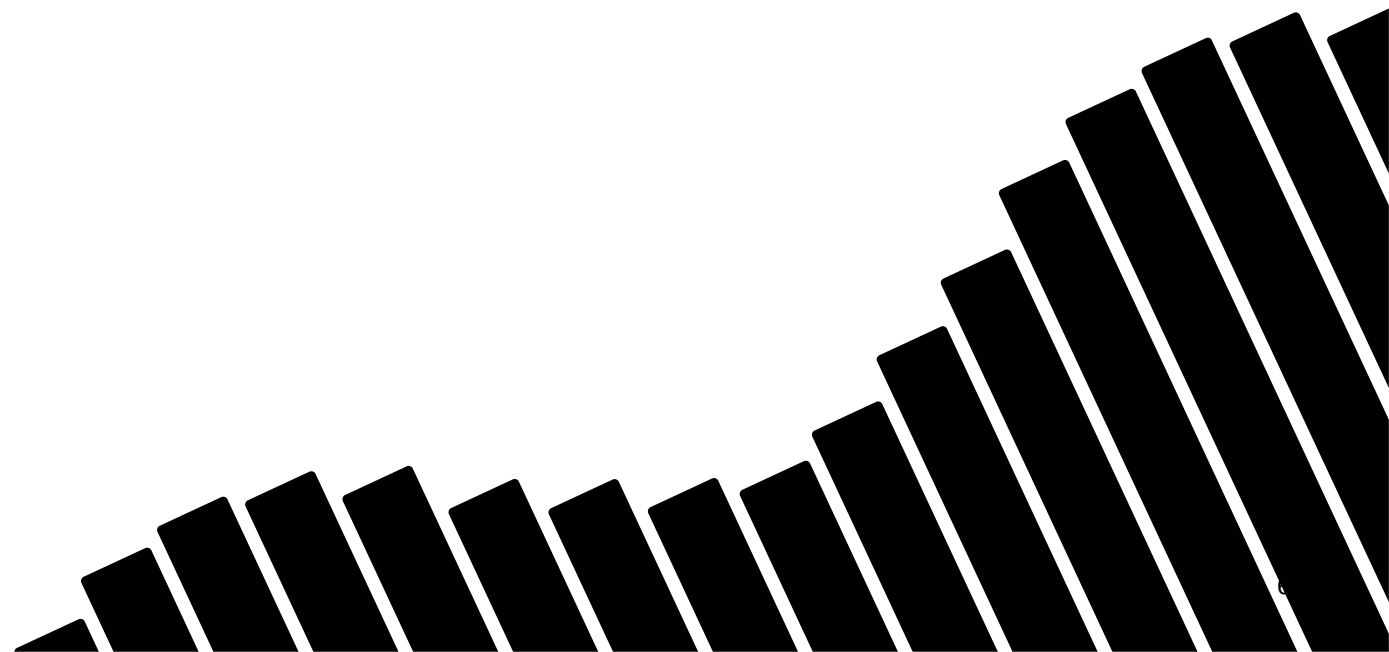
Administration and additional resources

Live Q&A

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# What we know

# Individuals



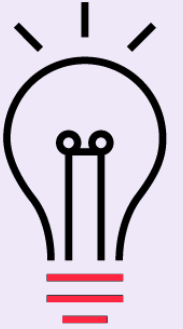
# Personal income tax cuts

Enacted law

To 30 June 2018		STAGE 1 From 1 July 2018		STAGE 2 From 1 July 2020		STAGE 3 From 1 July 2024 <sup>1</sup>	
Income threshold	Tax rate	Income threshold	Tax rate	Income threshold	Tax rate	Income threshold	Tax rate
\$18,200	19%	\$18,200	19%	\$18,200	19%	\$18,200	16%
\$37,000	32.5%	\$37,000	32.5%	\$45,000	32.5%	\$45,000	30%
\$87,000	37%	\$90,000	37%	\$120,000	37%	\$135,000	37%
\$180,000	45%	\$180,000	45%	\$180,000	45%	\$190,000	45%
<b>LITO:</b> Up to \$445		<b>LITO:</b> Up to \$445		<b>LITO:</b> Up to \$700		<b>LITO:</b> Up to \$700	
<b>LMITO [ended]:</b> \$255 to \$1,080 (2018–19, 2019–20 and 2020–21); \$675 to \$1,500 (2021–22 only)							

<sup>1</sup> [Announced](#) by the Government on 25 January 2024 and given effect by the [Treasury Laws Amendment \(Cost of Living Tax Cuts\) Act 2024](#)

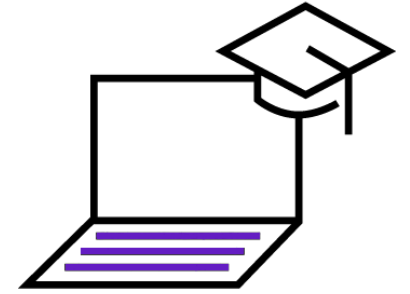
# Insights | Personal income tax cuts



- Tax cuts do not affect tax position for 2023–24 or lodgment of 2024 returns
- Those subject to:
  - **PAYG withholding** — will see an immediate benefit from the tax cuts through increased take-home pay due to reduced withholding
  - **PAYG instalments** — will not see relief until they lodge their 2025 returns and determine their final tax liability. Any overpaid tax for 2024–25 will be refunded following lodgment of the 2025 return
- Employers need to apply the correct [PAYG withholding tables](#) for salaries and wages paid on or after 1 July 2024
- Tables will be updated in mid-June 2024

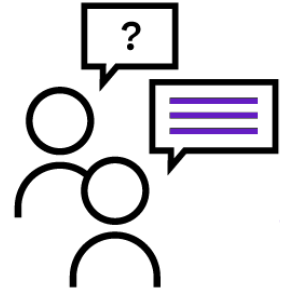


# Student loans



- Indexation of Higher Education Loan Program (**HELP**) loans will be reformed to be the lower of the consumer price index (**CPI**) or the wage price index (**WPI**)
- Indexation rate applied on:
  - 1 June 2023 will reduce from CPI rate of 7.1% to the WPI rate of **3.2%**
  - 1 June 2024 will reduce from CPI rate of 4.7% to the WPI rate of **4%**
- Proposed to apply to relevant student loans that existed on 1 June 2023
- Students who chose to repay their loans in full before 1 June 2023 will not be eligible for the indexation reduction

# Work-related expenses | Considerations



## Deduction

## Discussion

[Occupation and industry specific guides](#)

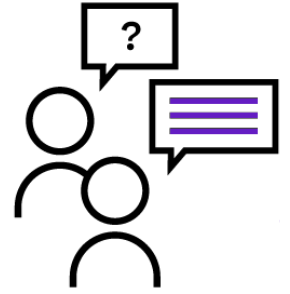
### Car expenses (D1)

- Rate for 2023–24: [85 cents per km](#)
- Rate for 2024–25: [proposed](#) to be [88 cents](#) per km
- ATO's administrative approach for EVs in [PCG 2024/2](#): [4.2 cents](#) per km

### Travel expenses (D2)

- Expenses incurred in using someone else's car
- [TD 2023/3](#) Income tax: what are the reasonable travel and overtime meal allowance expense amounts for the 2023–24 income year?
- [TR 2021/1](#) Income tax: when are deductions allowed for employees' transport expenses?
- [TR 2021/4](#) Income tax and fringe benefits tax: employees: accommodation and food and drink expenses, travel allowances, and living-away-from-home allowances
- [TR 95/34](#) Income tax: employees carrying out itinerant work – deductions, allowances and reimbursements for transport expenses

# Work-related expenses | Considerations



## Deduction

## Discussion

[Occupation and industry specific guides](#)

### [Clothing expenses](#) (D3)

- Claims allowed only for occupation-specific clothing, protective clothing, compulsory work uniforms and registered non-compulsory work uniforms (plus cleaning of such clothing)
- No deduction for conventional clothing, even if it's compulsory or worn only at work

### [Self-education expenses](#) (D4)

Must have a sufficient connection to earning your employment income if it either:

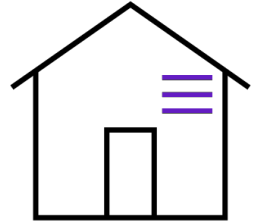
- maintains or improves the specific skills or knowledge you require in your employment activities; or
- results in, or is likely to result in, an increase in your income from your employment activities

### [Working from home expenses](#) (D5)

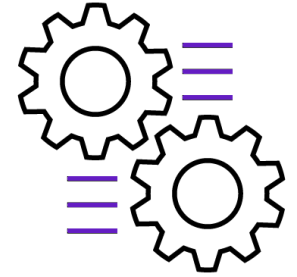
- Fixed rate method or actual cost method available
- ATO's administrative approach in [PCG 2023/1](#) (fixed rate method) — ATO will not apply compliance resources if claim WFH expenses at the rate of **67 cents per hour** (note inclusions/exclusions)
- Must keep a record of the total number of **actual hours WFH**

# Rental properties | Considerations

- ATO data that shows 9/10 rental property owners are getting tax returns wrong
- See ATO's [Top 10 tips to help rental property owners avoid common tax mistakes](#)
- Declare all rental income — and declare gross rent, not net rent then claim again
- Mates' rates — cannot claim full deductions for expenses
- Apportion interest where private use or property not genuinely available for rent, or mixed use of borrowed funds
- Correctly apportion [borrowing expenses](#) over 5 years, or term of the loan if less
- Correctly treat repairs — [initial repairs](#) and capital works (Division 43)
- Residential rental properties from 1 July 2017:
  - Limits on depreciation for [second-hand assets](#) — consider CGT event K7 on disposal
  - No deduction for [travel expenses](#)



# CGT | Considerations



- Part IVA implications of ‘wash sales’: [TR 2008/1](#)
- CGT discount — be aware of [section 115-45](#) of the ITAA 1997:
  - CGT event happens to shares/units where the taxpayer holds at least 10% of interests
  - CGT discount not available even where shares/units held for at least 12 months and the majority (> 50%) of underlying assets have been owned by the company/trust for less than 12 months
- Non-residents — not entitled to [CGT discount](#)<sup>2</sup> or [main residence exemption](#)
- [Cryptocurrency](#) — [switching one crypto asset](#) for another is a CGT event
- Consider whether a capital gain from [CGT event J2, J5 or J6](#) has been made when a CGT event or balancing adjustment event happens to a replacement active asset which was the subject of a previous Subdiv 152-E small business rollover

# Businesses and organisations

# Small business boosts/incentive

Bill before Parliament

	Technology investment <sup>3</sup>	Skills and training <sup>4</sup>	Energy Incentive <sup>5</sup>
<b>Aggregated turnover</b>	< \$50m	< \$50m	< \$50m
<b>Claim additional deduction equal to 20% of:</b>	... the eligible expenditure incurred on business expenses and depreciating assets that support the business' digital adoption	... the eligible expenditure incurred on external training courses provided to employees	... the cost of eligible depreciating assets that support electrification and efficient energy usage
<b>Maximum deduction</b>	\$20,000 per business (up to \$100,000 of expenditure)	Unlimited	\$20,000 per business (up to \$100,000 of expenditure)
<b>Exclusions</b>	Assets to which a balancing adjustment occurs in the same income year	In-house or on-the-job training Contractors, non-employee business owners	Certain assets (e.g. electric vehicles and renewable energy generation)
<b>Eligible period</b>	Expenditure incurred between 7:30pm AEDT on 29 March 2022 and 30 June 2023	Expenditure incurred between 7:30pm AEDT on 29 March 2022 and 30 June 2024	Eligible assets or upgrades must be first used or IRFU between 1 July 2023 and 30 June 2024

**Boosts are enacted law**

<sup>3</sup> Schedule 5 to the [Treasury Laws Amendment \(2022 Measures No. 4\) Act 2023](#)  
<sup>4</sup> Schedule 4 to the [Treasury Laws Amendment \(2022 Measures No. 4\) Act 2023](#)  
<sup>5</sup> Schedule 2 to the [Treasury Laws Amendment \(Support for Small Business and Charities and Other Measures\) Bill 2023](#)

# Strengthened thin capitalisation rules

Enacted law

[3 new tests](#) that apply to 'general class entities' (most multinationals)<sup>6, 7</sup>

## Explanation

## Treatment of excess deductions

### Fixed ratio test

Earnings-based ratio test that limits an entity's net debt deductions to 30% of its tax EBITDA (**default method**)

Denied debt deductions over the previous 15 years may be available under the '15-year carry forward rule'

### Group ratio test

Earnings-based worldwide gearing ratio test that limits net debt deductions using a ratio of the worldwide group's net interest expense and EBITDA based on the worldwide group's financial statements

Denied deductions from previous years are not available

### Third party debt test

Limits an entity's debt deductions to those attributable to an entity's external (or third party) debt except for non-qualifying external debt

Debt deductions attributable to related party debt are denied under this test

Denied deductions from previous years are not available

<sup>6</sup> Schedule 2 to the [Treasury Laws Amendment \(Making Multinationals Pay Their Fair Share—Integrity and Transparency\) Act 2023](#) (**Multinationals Act**)

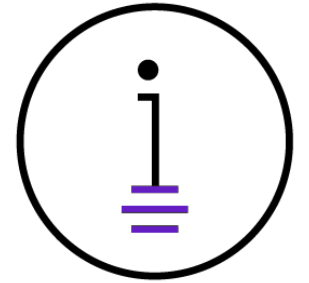
<sup>7</sup> New supporting debt deduction rules start on 1 July 2024



# Country by country reporting

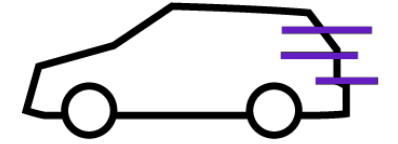
Schedule 4 to the [Treasury Laws Amendment \(Responsible Buy Now Pay Later and Other Measures\) Bill 2024](#)

- Implements Australia's public CBC reporting regime by amending the TAA to require certain large multinationals to publish selected tax information on:
  - a CBC basis for specified jurisdictions; and
  - either a CBC basis or an aggregated basis for the rest of the world
- Intended to improve information flows to help the public and investors compare entity tax disclosures and better assess whether an entity's economic presence in a jurisdiction aligns with the amount of tax they pay in that jurisdiction
- Starts on **1 July 2024**



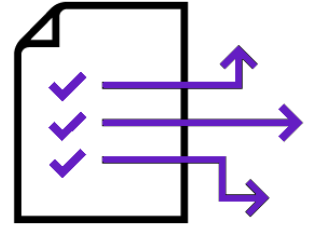
Not yet law

# Car limit | Luxury car tax threshold



Limit   Threshold	2023–24	2024–25
Car limit	\$68,108	\$69,674
LCT threshold — fuel efficient vehicles	\$89,332	\$91,387
LCT threshold — other vehicles	\$76,950	\$80,567

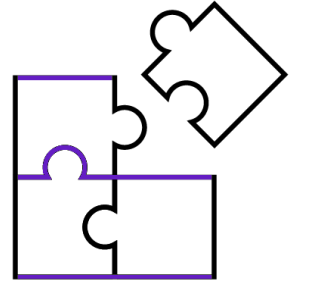
# NFPs | New annual self-review return



- Non-charitable NFPs must [self-assess](#) their eligibility to be income tax exempt by lodging an [annual NFP self-review return \(SRR\)](#)
- [New reporting requirement](#) applies from 1 July 2023 — first SRR covers 2023–24
- NFPs that do not meet eligibility criteria in one of the [8 categories](#) to be income tax exempt will be taxable — lodge an income tax return (or notify RNN)
- SRR is due by 31 October 2024 through OSB or a registered tax agent
- NFPs can prepare for lodgment by [updating any new associates and authorised contacts](#) and related ABN details
- NFPs choosing to appoint a tax agent for the first time need to securely nominate the agent through [client-agent linking](#)
- Charitable NFPs are income tax exempt only if they register as a charity with the [ACNC](#) and are formally endorsed by the ATO

# Don't forget about ...

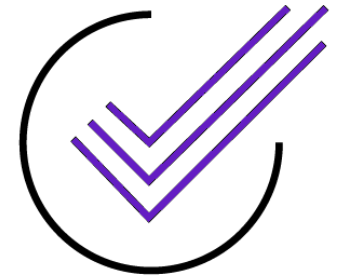
- Donations — check for DGR/charitable status on [ABR register](#)
- [Non-commercial loss rules](#)
- Obsolete stock: [TR 93/23](#)
- [Prepayment rules](#) — including SBE 12-month rule and [non-business expenditure](#)
- [PSI rules](#) (recording of ATO webinar on 3 June 2024 available soon)
- Single Touch Payroll (**STP**) [finalisation](#)
- [Taxable payment annual reports \(TPARs\)](#)



# Division 7A and section 100A

# Division 7A | Loan considerations

- Ensure 2023–24 loans are fully repaid or managed (with a complying loan agreement) **before** lodgment day of the 2024 tax return
- Minimum yearly repayments (**MYR**):
  - Required by **30 June 2024** for complying loans made in 2022–23 and prior income years
  - If using a dividend via journal entry to make MYR:
    - Ensure dividend is declared by **30 June 2024** (evidenced by directors’ resolution)
    - Ensure distribution statement is issued to the shareholder by **31 October 2024**
    - Else, may not conform with ‘principle of mutual set-off<sup>9</sup>’ to be an effective payment/valid MYR
  - Seek section 109RD discretion if needed — but catch-up MYR in later years may be required
- Consider seeking [section 109RB discretion](#) to a deemed dividend that has already arisen



[ATO web guidance](#)  
[Avoid common mistakes](#)

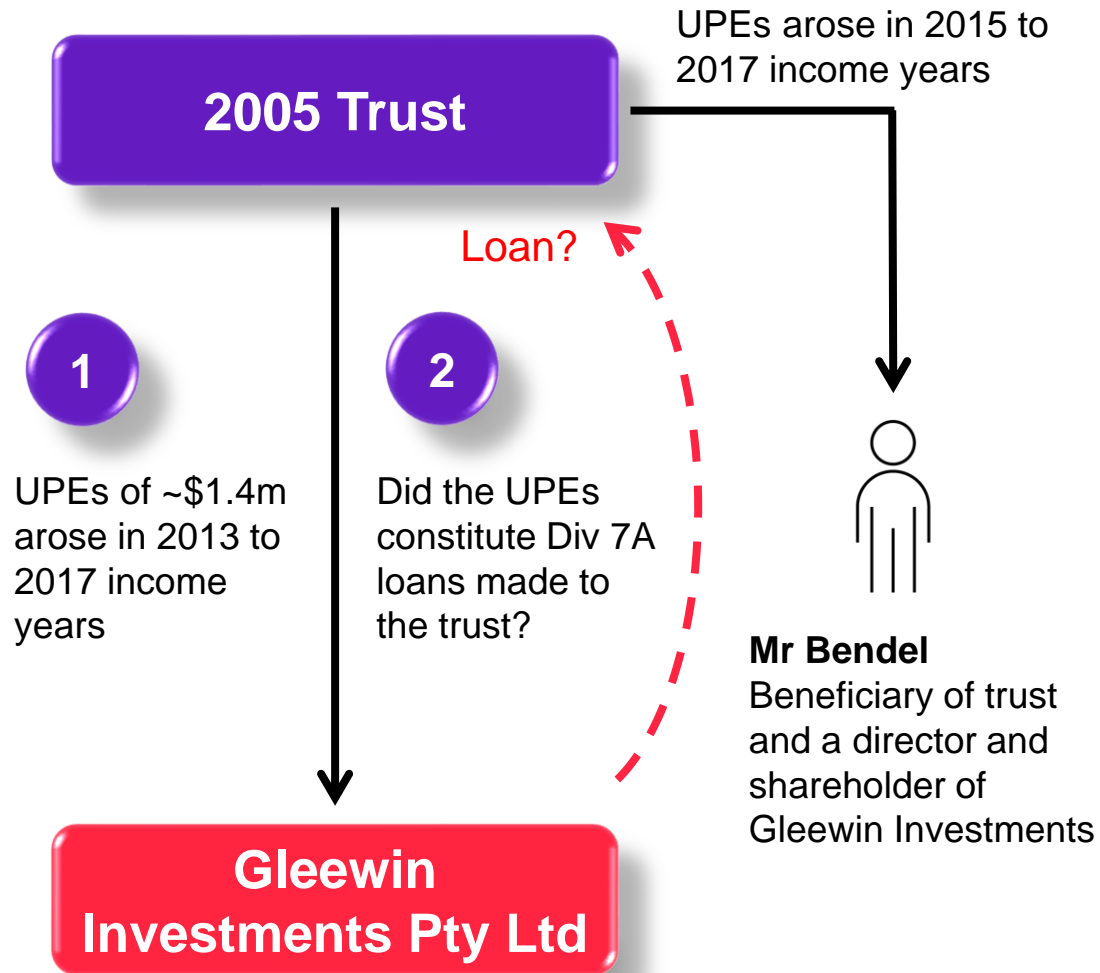
# Division 7A | Legacy sub-trust arrangements



In accordance with [PS LA 2010/4](#)

	Option 1 (7-year) arrangement		Option 2 (10-year) arrangement	
	Earliest year	Latest year	Earliest year	Latest year
UPE arises	30 June 2010	30 June 2022	30 June 2010	30 June 2022
Held on sub-trust	15 May 2011	15 May 2023	15 May 2011	15 May 2023
Maturity date	14 May 2018	14 May 2030	14 May 2021	14 May 2033
Div 7A loan if not repaid by maturity	2017–18	2029–30	2020–21	2032–33
Liability to make first MYR	30 June 2019	30 June 2031	30 June 2022	30 June 2034
Liability to make last MYR	30 June 2025	30 June 2037	30 June 2028	30 June 2040

# UPE held not to be a Division 7A loan | Bendel<sup>10</sup>



## Primary issue

ATO treated the UPEs as loans, which resulted in a deemed dividend for the trust — included in assessable income of Gleewin Investments and Mr Bendel

Did Gleewin Investments make a loan within the meaning of subsection 109D(3) of Division 7A in Part III of the ITAA 1936 to the trust during each of the 2014 to 2017 income years due to the UPEs of the previous year?

## Decision

The Tribunal decided that a UPE that arises from an entitlement to income (or capital) of a trust is **not a loan** for the purpose of subsection 109D(3)



# Implications of the Bendel decision



- Administrative decision only — **does not change the law!**
- AAT's decision is in direct contrast to the administrative position taken by the ATO in public guidance issued over the past 14 years, in particular:
  - [TR 2010/3](#) ([withdrawn](#) with effect from 1 July 2022)
  - [PS LA 2010/4](#) (also withdrawn from 1 July 2022)
  - [TD 2022/11](#) (applies from 1 July 2022)
- [Interim DIS](#) issued on 15 November 2023
- Treatment of distributions made in 2021–22<sup>12</sup>
- What decisions should be made for June 2024 distributions?

**On appeal to  
Full Federal  
Court<sup>11</sup>**

<sup>11</sup> Funding granted under the ATO's [Test Case Litigation Program](#)

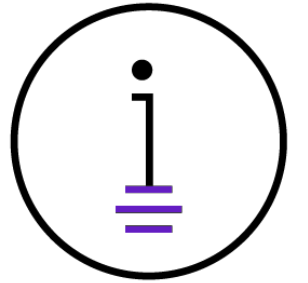
<sup>12</sup> These UPEs will:

- Generally, constitute a loan made by the corporate beneficiary to the trust before the lodgment day of the 2022 tax return (i.e. 15 May 2023)
- Give rise to a deemed dividend in the 2023–24 income year unless placed on complying loan terms before the lodgment day of the 2023 tax return (i.e. 15 May 2024)

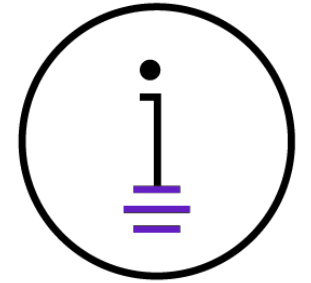
**What if the Commissioner wins? What if he doesn't?**

# Section 100A | Key points

- Key ATO public advice and guidance (see slide **27**)
- [Exemption for OFCD](#)
  - Arrangement is artificial, contrived, is overly complex or contains steps that might be explained by objectives different to those said to be behind the OFCD
  - Circumstances or conduct is inconsistent with the legal or economic consequences of the beneficiary's entitlement
- Unlimited period of review means trustees must retain [sufficient records](#) to explain transactions that have happened



# Section 100A | ATO guidance



## [TR 2022/4](#)

Income tax: section 100A reimbursement agreements

## [PCG 2022/2](#)

Section 100A reimbursement agreements – ATO compliance approach

## [TA 2022/1](#)

Parents benefitting from the trust entitlements of their children over 18 years of age

Taxation Ruling	
TR 2022/4	
Status: legally binding	
<b>Taxation Ruling</b> Income tax: section 100A reimbursement agreements	
● <b>Relying on this Ruling</b> This publication (excluding appendices) is a public ruling for the purposes of the Taxation Administration Act 1953. If this Ruling applies to you, and you correctly rely on it, we will apply the law to you in the way set out in this Ruling. That is, you will not have to pay any more tax or penalties or interest in respect of the matters covered by this Ruling.	
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Practical Compliance Guideline	
PCG 2022/2	
● <b>Relying on this Guideline</b> This Practical Compliance Guideline sets out a practical administration approach to assist taxpayers in complying with relevant tax laws. Provided you follow this Guideline in good faith, the Commissioner will administer the law in accordance with this approach.	
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Taxpayer Alert	
TA 2022/1	
● <b>About Taxpayer Alerts</b> Alerts provide a summary of our concerns about new or emerging higher risk tax or superannuation arrangements or issues that we have under risk assessment. While an Alert describes a type of arrangement, it is not possible to cover every potential variation of the arrangement. The absence of an Alert on an arrangement or a variation of an arrangement does not mean that we accept or endorse the arrangement or variation, or the underlying tax consequences. Refer to PS LA 2008/15 for more information about Alerts. See Alerts issued to date.	
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<b>Overview</b>	
1. We are currently reviewing trust arrangements where parents enjoy the economic benefit of trust income appointed to their children who are over 18 years of age (Children). The common feature of the arrangements is that trust income is appointed between members of the family group but in substance it is the parents who exercise control over and enjoy the economic benefit of the income.	
2. In some arrangements, there is an understanding that trust income appointed to the Children will be paid to their parents or otherwise dealt with at their parents' discretion. In others, the trust income appointed to the Children is recorded as applied (with or without their knowledge) to repay amounts owed by them to their parents, being amounts owed in respect of expenses that benefit the children but are properly understood as parental expenses. Examples of these expenses are the costs of their upbringing as a minor or for the kinds of ongoing financial support parents would ordinarily provide their children.	
3. The arrangements we are concerned about are those which are more properly explained by the tax outcomes obtained, including the accessing of tax-free thresholds and	
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## ATO web guidance

- [Current web guidance](#)
- [2014 web guidance](#)

# Section 100A | Flow chart

s 100A(1) and (2)

Is there a s 97 beneficiary (not under a legal disability) who is PE to a share of trust income?

No →

Yes ↓

s 100A(7)

Is the PE connected with a RA?

- RA requires an 'agreement' (can be informal)
- RA = payment of money or transfer of property to, or the provision of services or other benefits for, someone other than the beneficiary

No →

Yes ↓

s 100A(8)

Was the agreement one that was **NOT** entered into for a purpose of reducing a person's income tax?

Yes →

No ↓

s 100A(13)

Was the agreement entered into in the course of 'ordinary family or commercial dealing'?

Yes →

No →

**Section 100A does not apply**

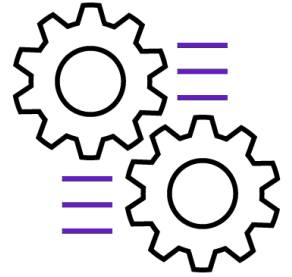
**Section 100A applies**

# Trust distributions

# New tax return labels

## Changes from 1 July 2024 (for 2024 tax returns)

- Modified labels in the [statement of distribution](#) (part of the trust tax return)
- All trust beneficiary types who receive trust income need to lodge a new [trust income schedule \(TIS\)](#) with their tax return:
  - **Individual beneficiaries** — incorporated into the existing income details schedule
  - **Non-individual beneficiaries** — a new schedule lodged with each beneficiary's tax return
  - Beneficiaries will be able to get the information required in the TIS from the trust — encourage your trustee clients to provide beneficiaries with the information required to complete the TIS as early as possible, to assist them in completing their tax return
- New data validations added to the trust tax return form in the [practitioner lodgment service \(PLS\)](#) to ensure accurate reporting



# New trust tax return labels

Capital gains	<b>F</b>	<input type="text"/>	<del>•</del>
Gross capital gain	<b>F1</b>	<input type="text"/>	<del>•</del>
Capital losses applied	<b>F2</b>	<input type="text"/>	<del>•</del>
CGT discount applied	<b>F3</b>	<input type="text"/>	<del>•</del>
CGT small business concessions applied	<b>F4</b>	<input type="text"/>	<del>•</del>
NCMI capital gains	<b>F5</b>	<input type="text"/>	<del>•</del>
Excluded from NCMI capital gains	<b>F6</b>	<input type="text"/>	<del>•</del>

Unchanged

New label

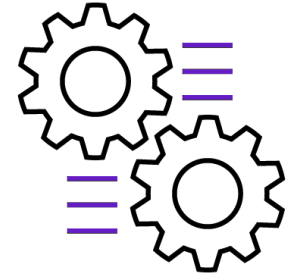
New label

New label

New label

Renumbered from **F1** in 2023

Renumbered from **F2** in 2023



# ATO checklist | Trustee resolutions



- Do you have a complete copy of the trust deed?
- Who can the trustee appoint income or capital to?
- Has the trust vested?
- Is a FTE/IEE in force for the trust?
- By when must the trustee make resolutions?
- Caution when using standard format/templates
- Must the resolution be in writing?
- Is the wording of the resolution clear and unambiguous?
- Has the beneficiary's entitlement vested?
- Can the entitlement be taken away?
- Variation of income resolutions
- How should you calculate and report the income of the trust?
- Are capital gains or franked distributions being streamed?
- Is the trustee seeking to stream other types of income?
- Will records created after 30 June be accepted as evidence of the making of the resolution by that date?
- Must the trust accounts be prepared by 30 June to make beneficiaries presently entitled to trust income?
- What happens if a resolution is made after 30 June?
- Have all entitled beneficiaries quoted their TFN to the trustee?



# Other considerations

## Read the deed!

- Ensure distributions are made only to valid beneficiaries
- Ensure capital distributions are made only to capital beneficiaries
- Do not backdate resolutions — heed date in the deed (e.g. may be 29 June)
- If an FTE/IEE is in force, trustees are liable for FTDT on ‘distributions’ outside the ‘family group’
- Apply trust loss provisions correctly
- TFN reporting rules — withholding if beneficiary’s TFN details not provided



# Superannuation

# Key data

Cap   Rate	2023–24	2024–25
Concessional contributions ( <b>CC</b> ) cap	\$27,500	\$30,000
Non-concessional contributions ( <b>NCC</b> ) cap	\$110,000	\$120,000
Bring forward rule (depends on TSB)	Up to \$330,000	Up to \$360,000
<p><u>Carry forward</u> any unused CC cap amounts from 2018–19 to 2022–23 to increase 2023–24 CC cap where their <u>TSB</u> is less than \$500,000 on 30 June 2023. Carry forward oldest available unused cap amounts first — 2018–19 unused cap amount not used by end of 2023–24 will expire</p>		
Transfer balance cap	\$1.9m	\$1.9m
CGT cap	\$1.705m	\$1.780m
Rate of SG (based on the date of payment, not when the work is done)	11.0%	11.5%

# Bring forward non-concessional contributions

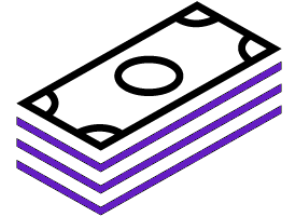
Total superannuation balance on 30 June 2024	NCC cap for 2024–25 (first year)	Maximum bring forward period
Less than \$1.66m	\$350,000	3 years
\$1.66m to less than \$1.78m	\$240,000	2 years
\$1.78m to less than \$1.9m	\$120,000	No bring forward period — general NCC cap applies
\$1.9m or more	Nil	N/A

# Minimum pension drawdown rates

Age	2008–09 to 2010–11	2011–12 to 2012–13	2013–14 to 2018–19	2019–20 to 2022–23	From 2023–24
Under 65	2.0%	3.00%	4%	<b>2.0%</b>	4%
65–74	2.5%	3.75%	5%	<b>2.5%</b>	5%
75–79	3.0%	4.50%	6%	<b>3.0%</b>	6%
80–84	3.5%	5.25%	7%	<b>3.5%</b>	7%
85–89	4.5%	6.75%	9%	<b>4.5%</b>	9%
90–94	5.5%	8.25%	11%	<b>5.5%</b>	11%
95 or more	7.0%	10.50%	14%	<b>7.0%</b>	14%

# Making contributions | Considerations

- Allow time for processing and receipt of payment — particularly when using external payroll services, DSPs and commercial clearing houses
- Deduction in 2023–24 is available only if the fund receives the payment by 30 June<sup>13</sup>
- **Personal contributions:** Provide section 290-170 notice ([intent to claim a deduction](#)) to the fund trustee before the earlier of the day on which they lodge their 2024 return or 30 June 2025
  - Receive written acknowledgment of receipt of the notice
  - Range of [circumstances](#) can invalidate a notice
- SG for June 2024 quarter:
  - Payment must be received by the fund (or the ATO's SBSCH<sup>14</sup>) by 28 July 2024<sup>15</sup>
  - SG statement must be lodged and SGC liability paid by 28 August 2024 if the employer has an SG shortfall for an employee for the June quarter
  - Treating a late payment as non-deductible does not resolve SGC issue
- Check the other 3 quarters too (September, December and March) for any SG shortfalls



<sup>13</sup> See paras. 12–13 of [TR 2010/1](#)

<sup>14</sup> The ATO's free Small Business Superannuation Clearing House (**SBSCH**) allows eligible employers to meet their SG obligations when the payment is received by the SBSCH.

<sup>15</sup> When a due date falls on a weekend or public holiday, the contribution must be received by the fund on or before the next business day (i.e. 29 July 2024).

# Other superannuation considerations

- [Division 293 tax](#) for high-income earners — whose combined Division 293 income and superannuation contributions exceed \$250,000
- [Work test](#) or [work test exemption](#) — for those aged 67–74 years who seek to deduct a personal contribution
- Government [co-contribution](#) — up to \$500 for low- or middle-income earners aged less than 71 years at the end of 30 June 2024
- [Downsizer contributions](#) for those aged 55 years or older
- [Tax offset](#) — up to \$540 for NCC made on behalf of a spouse whose income is less than \$40,000
- Calculate partially indexed [personal TBC](#) for those who started a retirement phase income stream in 2017–18 to 2022–23

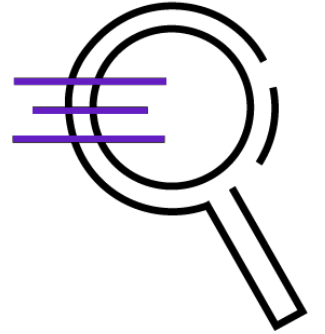


# TASA changes



# TPB and TASA landscape

- [Code of Professional Conduct](#)
- [Review of TPB](#) and [Government Response](#)
- Schedule 3 to the [Treasury Laws Amendment \(2023 Measures No. 1\) Act 2023](#) — 1<sup>st</sup> tranche of TASA amendments
- [Announcement](#) by the Government and [TTI media release](#)<sup>16</sup>
- [Treasury Laws Amendment \(Tax Accountability and Fairness\) Act 2023 \(TAF Act\)](#) — 2<sup>nd</sup> tranche of amendments
- [TPB's summary of TASA changes](#)



# TASA changes and new obligations

Change	Guidance	Date of effect
<b>Use of disqualified entities</b>	<p>Draft <a href="#">TPB(I) D51/2023</a> Code of Professional Conduct – Employing or using a disqualified entity in the provision of tax agent services without approval (section 30-10(15) of the TASA)</p> <p>Draft <a href="#">TPB(I) D52/2023</a> Code of Professional Conduct – Prohibition on providing tax agent services in connection with an arrangement with a disqualified entity (section 30-10(16) of the TASA)</p> <p><a href="#">TPB FAQs</a></p>	1 January 2024
<b>Minister to determine Code</b>	<p>Draft <a href="#">Tax Agent Services (Code of Professional Conduct) Determination 2023</a> — sets out proposed additional obligations that would supplement the obligations already in the Code (section 30-12 of the TASA)</p> <p><a href="#">Joint Bodies submission</a></p>	1 January 2024
<b>Annual registration</b>	<p>Registration period reduced from at least every 3 years to at least every year (section 20-25 of the TASA) — <a href="#">TPB FAQs</a></p>	1 July 2024

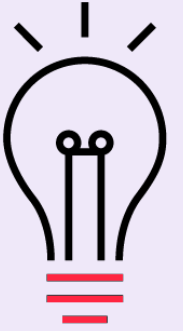
# TASA changes and new obligations

Change	Guidance	Date of effect
<b>Breach reporting rules</b>	<ul style="list-style-type: none"><li>Registered agents must notify the TPB if they have reasonable grounds to believe they (<b>self-reporting</b><sup>17</sup>) or another agent<sup>18</sup> have breached the Code and the breach is a 'significant breach'</li><li>Must also notify the other agent's professional association</li><li>Draft <a href="#">TPB(I) D53/2024</a> Breach reporting under the TASA</li><li><a href="#">Joint Bodies submission</a></li></ul>	1 July 2024  <sup>17</sup> New paragraphs 30-35(1)(ba), 30-35(2)(ba) and 30-35(3)(ba) <sup>18</sup> New subsection 30-40(1)
<b>Promoter penalty (PP) reforms</b>	<ul style="list-style-type: none"><li>Schedule 1 to the TAF Act — Increased maximum PP for advisers and firms who promote tax exploitation schemes from \$7.825m to \$825m</li><li>Awaiting further <a href="#">ATO guidance</a></li></ul>	1 July 2024
<b>Expanded whistleblower protection</b>	<ul style="list-style-type: none"><li>Schedule 2 to the TAF Act — Protects whistleblowers when providing TPB with evidence of agent misconduct</li><li>No protection under breach reporting rules where not 'associates'</li></ul>	1 July 2024

# TASA changes and new obligations

Change	Guidance	Date of effect
TPB reform	<p>Schedule 3 to the TAF Act</p> <ul style="list-style-type: none"><li>• Improve the TPB Register</li><li>• Give the TPB more time to complete complex investigations — up to 24 months</li></ul>	1 July 2024
Information sharing	<p>Schedule 4 to the TAF Act</p> <ul style="list-style-type: none"><li>• Remove limitations in the tax secrecy laws that are a barrier to regulators</li><li>• Enable ATO and TPB to refer ethical misconduct by advisers to professional associations for disciplinary action</li></ul>	1 June 2024
TPB sanctions	Treasury <a href="#">Consultation Paper</a>	






# Insights | Breach reporting rules



- Vaguely-expressed key terms not defined in the new law:
  - *reasonable grounds to believe, significant breach, indictable offence, offence involving dishonesty, material loss or damage and otherwise significant*
- Practicality of tax practitioners seeking legal advice on matters beyond their scope (notably criminal law) to comply with obligations within the 30-day reporting period
- Frivolous, vexatious or malicious claims — is the reporting practitioner a fit and proper person?
- Reporting practitioners will not be an eligible whistleblower if they are not an ‘associate’ of the other agent
- Need greater certainty on the evidentiary requirements
- Risks faced by practitioners when participating in tax discussion groups

# What we are waiting on ...

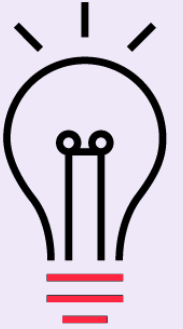
# Temporary instant asset write-off (IAWO)

 Aggregated turnover	 Date asset acquired (IAWO/immediate deduction) or first held (TFE)	 Date asset first used or installed ready for use (IRFU)	 Asset cost
<b>IAWO: SBE: &lt; \$10m</b>	Acquired before 7:30pm on 12 May 2015	Before 7:30pm on 12 May 2015	< \$1,000
	Acquired from 7:30 pm on 12 May 2015	From 7:30pm on 12 May 2015 to before 29 January 2019 From 29 January 2019 to before 7:30pm on 2 April 2019 From 7:30pm on 2 April 2019 to before 12 March 2020 From 12 March 2020 to 30 June 2021	< \$20,000 < \$25,000 < \$30,000 < \$150,000
	From 7:30pm on 6 October 2020 to 30 June 2023	From 7:30pm on 6 October 2020 to 30 June 2023	Unlimited
	 Acquired from 7:30 pm on 12 May 2015	From 1 July 2023 to 30 June 2024 <sup>19</sup>	< \$20,000
		From 1 July 2024 to 30 June 2025 <sup>20</sup>	< \$20,000
	Return to normal rules	Not relevant until after 30 June 2025	< \$1,000
<b>Immediate deduction:</b> Medium business: <b>\$10m to &lt; \$50m</b>	Acquired from 7:30 pm on 2 April 2019 to 31 December 2020	From 7:30 pm on 2 April 2019 to before 12 March 2020 From 12 March 2020 to 30 June 2021	< \$30,000 < \$150,000
<b>Immediate deduction:</b> Medium-large business: <b>\$50m to &lt; \$500m</b>	Acquired from 7:30 pm on 2 April 2019 to 31 December 2020	From 12 March 2020 to 30 June 2021	< \$150,000
<b>TFE: &lt; \$5b</b> (or satisfies alternative income test)	First held from 7:30pm on 6 October 2020 to 30 June 2023	By 30 June 2023	Unlimited

<sup>19</sup> Schedule 1 to the [TLA \(Support for Small Business and Charities and Other Measures\) Bill 2023](#)

<sup>20</sup> Schedule 7 to the [TLA \(Responsible Buy Now Pay Later and Other Measures\) Bill 2024](#)

# Insights | Instant asset write-off

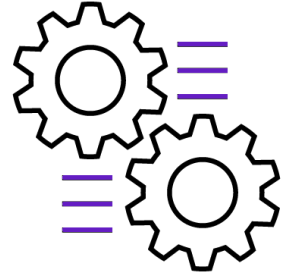


- **2023–24** — [Enabling Bill](#) returns to the Senate (again)
  - Schedule 1 to the Bill was amended by the Senate to increase the threshold from \$20,000 to \$30,000 and the aggregated turnover threshold from \$10m to \$50m<sup>21</sup>
  - House of Representatives (**House**) has twice disagreed to the Senate’s amendments, and the Senate has insisted on its amendments
  - Bill returns to the Senate on 24 June 2024 — Parliament sits 24–28 June, then 1–4 July
  - If not passed by then, Bill could be enacted with an increased threshold for 2023–24 in the [Spring sittings](#) but does not provide much-needed certainty to businesses
- **2024–25** — [Enabling legislation](#) introduced into Parliament on 5 June 2024
  - Schedule 7 to the Bill gives effect to the recent Budget announcement that the \$20,000 threshold for SBEs (less than \$10m aggregated turnover) will be extended by 12 months, for eligible assets first used or installed ready for use by 30 June 2025
  - Without this change, the threshold reverts to the legislated threshold of \$1,000 from 1 July 2024

<sup>21</sup> If the aggregated turnover is limited to \$10m, no immediate deduction is available to medium– large businesses  
Can deduct low-cost business assets costing up to \$100 (including GST) (i.e. \$90.91) under PS LA 2003/8

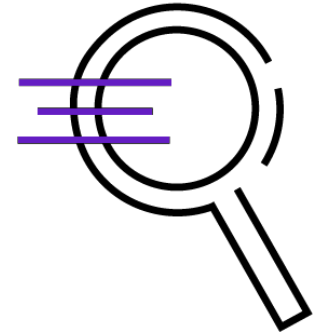


# Non-arm's length income (NALI) provisions



- Proposed retrospective amendments to the NALI provisions in [section 295-550](#) of the ITAA 1997 which apply to expenditure by superannuation funds from 1 July 2018 will:
  - limit the amount of NALI arising from a general non-arm's length expense for SMSFs and small Australian Prudential Regulation Authority (**APRA**)-regulated funds to twice the level of a general expense;
  - exempt large APRA-regulated funds from the NALI provisions for both general and specific expenses of the fund; and
  - exempt expenditure that occurred prior to 2018–19
- [Enabling Bill](#) is before the Parliament
- ATO has not extended its administrative approach in [PCG 2020/5](#) (for the 2018–19 to 2022–23 income years) to 2023–24

# Key ABUMs

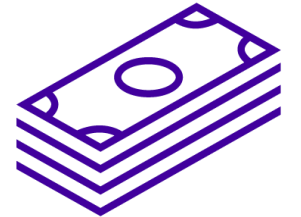


Topic	ATO public advice and guidance (PAG)
Corporate tax residency	<ul style="list-style-type: none"><li>• <a href="#">PCG 2018/9</a> sets out a transitional compliance approach period that applies to enable eligible foreign incorporated companies to change their governance arrangements so that their central management and control is exercised outside Australia by the end of the period</li><li>• The PCG was updated on 22 December 2022 to further extend the (already extended) transitional period from 31 December 2022 to <b>30 June 2023</b></li></ul>
Individual tax residency	<a href="#">TR 2023/1</a> provides the Commissioner's guidance to individuals to enable them to self-assess their residency status
Division 7A reforms	Still waiting ...

# Administration and additional resources

# Uplift factor | PAYG and GST instalments

- Reduced from 10% to 2%<sup>22</sup> for 2022–23
- Reduced from 12% to 6%<sup>23</sup> for 2023–24
- [ATO software developers webpage](#) (3 June 2024) indicates reduced uplift of 6% will continue to apply for 2024–25
- Small businesses and individuals with an aggregated turnover of up to:
  - \$10m for GST instalments
  - \$50m for PAYG instalments



<sup>22</sup> Schedule 5 to the [Treasury Laws Amendment \(Cost of Living Support and Other Measures\) Act 2022](#)

<sup>23</sup> Schedule 4 to the [Treasury Laws Amendment \(2023 Measures No. 2\) Act 2023](#)

# Increase in penalty unit

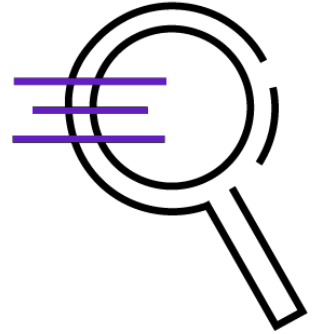
- Affects the amount of penalties imposed across the tax system for non-compliance
- Further increase in the amount of the Commonwealth penalty unit from **\$313** to **\$330<sup>24</sup>** from **1 July 2024**
  - Indexation to continue in line with the existing 3-yearly schedule (next increase: 1 July 2026)
  - Follows [increase](#) from \$222 to \$275 on 1 January 2023 and indexation from \$275 to \$313 (per the [existing formula](#)) on 1 July 2023
- [Enabling Bill](#) is before the Parliament



<sup>24</sup> Schedule 3 to the [Crimes Bill 2024](#)

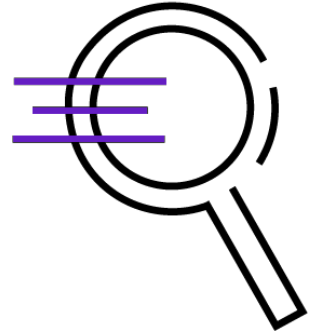
# ATO support and guidance

- [Lodgment deferral function](#) in OSfA ([ATO web guidance](#))
- [Supported lodgment program](#)
- [Tax practitioner assistance service](#)
- [Tax support for individuals](#)
- [Small business support](#)
- Tax time
  - [Tax time toolkit — general](#)
  - [Tax time toolkit for investors](#)



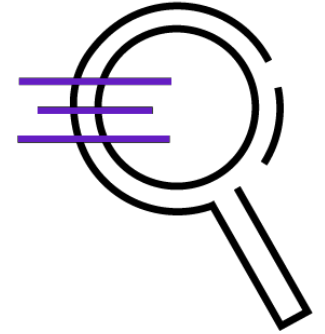
# Cyber security | Considerations

- [TPB\(PN\) 5/2022](#) Proof of identity requirements for client verification
- ATO guidance: [Agent client verification methods](#)
- Client agent linking — [agent nomination process](#)
- [Protect your myGovID](#) — secure emails and devices, use MFA/2FA
- Beware of scams:
  - [Verify or report a scam](#)
  - How to identify a [phone scam](#)
  - How to identify an [email or SMS scam](#)
  - How to identify a [social media scam](#)




# TTI member Tax Time resources

- [Tax time checklists](#) — for individuals, companies and trusts (2024 toolkits will be available soon)
- **Tax rates tables** — 2023–24 available from your [Member hub](#) (2024–25 will be available soon)



**Access the Tax Rates Tables 2023-24**



**Download tables ▶**



# Live Q&A

# Abbreviations

Abbreviation	Explanation
ABN	Australian Business Number
ABR	Australian Business Register
ABUM	Announced but unenacted measure
ACNC	Australian Charities and Not-for-profit Commission
AEDT	Australian Eastern Daylight Time
APRA	Australian Prudential Regulation Authority
ATO	Australian Taxation Office

# Abbreviations

Abbreviation	Explanation
CBC	Country by country reporting
CC   NCC	Concessional contributions   Non-concessional contributions
CGT	Capital gains tax
Code	Code of Professional Conduct (in section 30-10 of the TASA)
CPI	Consumer Price Index
DGR	Deductible gift recipient
DIS	Decision impact statement

# Abbreviations

Abbreviation	Explanation
Division 7A	Division 7A of Part III of the ITAA 1936
DSP	Digital Service Provider
EBITDA	Earnings before interest, tax, depreciation and amortisation
EV	Electric vehicle
FTDT	Family trust distribution tax
FTE   IEE	Family trust election   Interposed entity election
GST	Goods and services tax

# Abbreviations

Abbreviation	Explanation
HELP	Higher Education Loan Program
IAWO	Instant asset write-off in section 328-180 of the ITAA 1997 and section 328-180 of the IT(TP)A
IRFU	Installed ready for use
LCT	Luxury car tax
LITO   LMITO	Low income tax offset   Low and middle income tax offset
MFA/2FA	Multi-factor authentication/Two-factor authentication
MYR	Minimum yearly repayment

# Abbreviations

Abbreviation	Explanation
NALI   NALE	Non-arm's length income   Non-arm's length expenditure
NFP	Not-for-profit organisation
OFCD	Ordinary family or commercial dealing
OSB   OSfA	Online services for business   Online services for agents
PAYG	Pay as you go
PCG   PS LA	Practice Compliance Guideline   Practice Statement Law Administration
PE	Present entitlement

# Abbreviations

Abbreviation	Explanation
PLS	Practitioner Lodgment Service
PP	Promoter penalty
PSI	Personal services income
RA	Reimbursement agreement (section 100A of the ITAA 1936)
RNN	Return not necessary
SBE	Small business entity   s 328-110 of the ITAA 1997
SBSCH	Small business superannuation clearing house

# Abbreviations

Abbreviation	Explanation
SG   SGC	Superannuation guarantee   Superannuation guarantee charge
SRR	Self-review return
STP	Single Touch Payroll
TFE	Temporary full expensing   Subdivision 40-BB and s 328-181 of the IT(TP)A
TFN	Tax file number
TIS	Trust income schedule
TPAR	Taxable payment annual report



# Abbreviations

Abbreviation	Explanation
TPB	Tax Practitioners Board
TR   TD	Taxation Ruling   Taxation Determination
TSB	Total superannuation balance
TTI	The Tax Institute
UPE	Unpaid present entitlement
WFH	Working from home
WPI	Wages Price Index

# Abbreviations

Abbreviation	Full title of Bill or Act
Crimes Bill 2024	Crimes and Other Legislation Amendment (Omnibus No. 1) Bill 2024
ITAA 1936	<i>Income Tax Assessment Act 1936</i>
ITAA 1997	<i>Income Tax Assessment Act 1997</i>
IT(TP)A	<i>Income Tax (Transitional Provisions) Act 1997</i>
TAA	<i>Taxation Administration Act 1953</i>
TAF Bill	<i>Treasury Laws Amendment (Tax Accountability and Fairness) Act 2023</i>
TASA	<i>Tax Agent Services Act 2009</i>

# Thank you

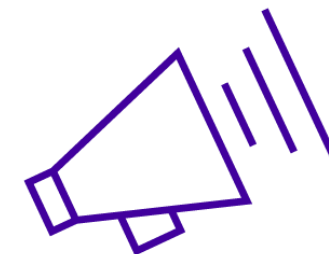
# Presenter

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Robyn Jacobson, CTA is the Senior Advocate at The Tax Institute.

Her role is a key engagement and advocacy contact for Tax Institute members, government, non-government organisations, regulators and other stakeholders. With 30 years in the profession, she brings to the role her 23 years' experience as a professional tax trainer, and preceding roles in public practice.

Robyn is a Chartered Tax Adviser of The Tax Institute, and a Fellow of both Chartered Accountants Australia and New Zealand and CPA Australia.



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