

State of Tax Policy Report: December 2022

Written by The Tax Institute's Tax Policy and Advocacy Team

Correct as of 3 February 2023

About this Report

The **State of Tax Policy Report: December 2022 (SOTP Report)** sets out the status of the key tax and superannuation legislative measures during the 47th (current term of) Parliament which commenced on 26 July 2022. Parliament adjourned on Thursday 15 December 2022 and will resume on Monday 6 February 2023.

The Tax Institute's Tax Policy and Advocacy (TPA) team prepare this Report periodically to assist our members in keeping track of the extensive list of enacted, and announced but unenacted, measures. Each edition of the SOTP Report is updated to reflect the most current developments, and a number of measures reported in previous SOTP Reports are removed to contain the length of the Report. These previously reported measures can be found in earlier editions of this Report, which are available in your [member portal](#).

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Notes

- 1 This Report includes only those measures which we consider are most relevant to our members. The full content of each Bill or Act (i.e. other schedules to the relevant Bill or Act not listed in this Report) is available by clicking on the relevant hyperlink containing the title of the Bill or Act.
- 2 The selected enacted Acts listed are those that received Royal Assent during the 47th Parliament, that commenced on 25 July 2022. Parliament adjourned on Thursday 1 December 2022 and will resume on Monday 6 February 2023.
- 3 Page cross-references throughout the Report refer to the relevant page in this Report.
- 4 A list of acronyms and abbreviations is set out on **page 3** of this Report.
- 5 For guidance, insights and resources on many of these measures, visit our [member portal](#).

Legislative references

<i>A New Tax System (Family Assistance) Act 1999</i>	FAA
<i>Income Tax Assessment Act 1936</i>	ITAA 1936
<i>Income Tax Assessment Act 1997</i>	ITAA 1997
<i>Income Tax Rates Act 1986</i>	ITRA
<i>Income Tax (Transitional Provisions) Act 1997</i>	IT(TP)A
<i>Fringe Benefits Tax Assessment Act 1986</i>	FBTAA
<i>Superannuation Guarantee (Administration) Act 1992</i>	SGAA

Legislative references

<i>Superannuation Industry (Supervision) Act 1993</i>	SISA
<i>Taxation Administration Act 1953</i>	TAA

Acronyms and other abbreviations

AAT	Administrative Appeals Tribunal
ABN	Australian Business Number
AEDT	Australian Eastern Daylight Time
AMIT	Attribution managed investment trust
ANAO	Australian National Audit Office
APRA	Australian Prudential Regulation Authority
ASIC	Australian Securities and Investments Commission
ATO	Australian Taxation Office
BEPS	Base erosion and profit shifting
Board	Board of Taxation
CCIV	Corporate collective investment vehicle
CGT	Capital gains tax
Commissioner	Commissioner of Taxation
CCS	Child Care Subsidy
CPI	Consumer price index
DGR	Deductible gift recipient
DGTO	Digital games tax offset
Div Subdiv	Division Subdivision
ESS	Employee share scheme

Acronyms and other abbreviations

FBT	Fringe benefits tax
FHSSS	First Home Super Saver Scheme
GDP	Gross domestic product
GST	Goods and Services Tax
IAWO	Instant asset write-off
IGTO	Inspector-General of Taxation and Taxation Ombudsman
LITO	Low Income tax offset
LMITO	Low and Middle Income tax offset
MNE	Multinational enterprise
MYEFO	Mid-Year Economic and Fiscal Outlook
NALI	Non-arm's length income
NANE	Non-assessable non-exempt (income)
OBU	Offshore banking unit
OECD	Organisation for Economic Co-operation and Development
PALM	Pacific Australia Labour Mobility
PAYG	Pay as you go
PSI	Personal services income
R&D	Research and development
s ss	Section Sections
SLMP	Seasonal Labour Mobility Program
SMSF	Self-managed superannuation fund
SG	Superannuation Guarantee
STP	Single Touch Payroll

Acronyms and other abbreviations

TFE	Temporary full expensing
TFN	Tax file number
TPB	Tax Practitioners Board
TPRS	Taxable Payments Reporting System
UPE	Unpaid present entitlement
WHM	Working holiday maker

Legislation

Key Acts enacted prior to issue of previous State of Tax Policy Report: May 2022

Measure	Details of enacted Act	Start date
Personal income tax relief	<p><u>Treasury Laws Amendment (Tax Relief So Working Australians Keep More Of Their Money) Act 2019</u></p> <p>Enacted on 5 July 2019 as Act No. 52 of 2019</p> <p>Increases the base and maximum amounts of the LMITO for the 2018–19 to 2021–22 income years to \$255 (from \$200) and \$1,080 (from \$530), respectively.</p> <ul style="list-style-type: none"> Increases the amount of the LITO from the 2022–23 income year ensuring all taxpayers remain better off following the cessation of the LMITO in 2022–23. Reduces the tax payable by individuals in the 2022–23 and later income years by increasing the amount of taxable income subject to the first personal rate of income tax of 19% to include an individual’s taxable income between \$18,201 and \$45,000 (rather than \$41,000). Reduces the tax payable by individuals in the 2024–25 and later income years by lowering the second personal rate of income tax to 30% (from 32.5%). <p>(See further personal income tax relief in the item below)</p>	<p>Changes to LMITO: 2018–19 to 2021–22 income years</p> <p>Changes to income tax thresholds and LITO: 2022–23 and later income years</p> <p>Changes to income tax rates: 2024–25 and later income years</p>

Measure	Details of enacted Act	Start date
<p>Accelerating the Personal Income Tax Plan</p>	<p>Schedule 1 to the Treasury Laws Amendment (A Tax Plan for the COVID-19 Economic Recovery) Act 2020</p> <p>Enacted on 14 October 2020 as Act No. 92 of 2020</p> <p>Reduces the tax payable by individuals in the 2020–21 and later income years by increasing the amount of taxable income subject to the:</p> <ul style="list-style-type: none"> ● first personal rate of income tax of 19% to include an individual’s taxable income between \$18,201 and \$45,000 (rather than from 1 July 2022); and ● second personal rate of income tax of 32.5% to include an individual’s taxable income between \$45,001 and \$120,000 (rather than from 1 July 2022). <p>Replaces the existing LITO with a new increased LITO for the 2020–21 and later income years of up to \$700 (instead of up to \$445).¹</p> <p>No changes have been made to the already legislated third and final stage of the Personal Income Tax Plan that will provide further personal income tax cuts from 1 July 2024.</p> <p>Under the third and final stage, the tax payable by individuals in the 2024–25 and later income years will be reduced by:</p> <ul style="list-style-type: none"> ● lowering the second personal rate of income tax to 30% (from 32.5%); and ● increasing the amount of taxable income subject to the second personal rate of income tax of 30% to include an individual’s taxable income between \$45,001 and \$200,000, thereby eliminating an entire tax bracket. 	<p>Changes to income tax rates: 2020–21 and later income years</p> <p>Change to LITO: 2020–21 and later income years</p> <p>2024–25 and later income years</p>

¹ Schedule 6 to the [Treasury Laws Amendment \(2021 Measures No. 4\) Act 2021](#) made the LMITO available in the 2021–22 income year. The LMITO will cease to be available in the 2022–23 income year and later income years.

Measure	Details of enacted Act	Start date
<p>CCIV: tax framework</p>	<p>Schedule 5 to the Corporate Collective Investment Vehicle Framework and Other Measures Act 2021</p> <p>Enacted on 22 February 2022 as Act No. 8 of 2022</p> <p>Inserts new Subdiv 195-C into the ITAA 1997 to specify the tax treatment for the newly established CCIV.</p> <p>The amendments give effect to the core CCIV tax framework to ensure that a CCIV is taxed on a flow-through basis, with the objective that the general tax treatment of CCIVs and their members align with the existing tax treatment of AMITs and their members.</p> <p>Draft regulations and rules were released on 21 December 2021 that implement key elements of the CCIV regulatory framework.</p>	<p>1 July 2022</p>
<p>Temporary loss carry back</p>	<p>Schedule 2 to the Treasury Laws Amendment (A Tax Plan for the COVID-19 Economic Recovery) Act 2020</p> <p>Enacted on 14 October 2020 as Act No. 92 of 2020</p> <p>Allows corporate tax entities with an aggregated turnover of less than \$5 billion to carry back a tax loss for any or all of the 2019–20, 2020–21 and 2021–22 income years and apply it against the tax paid in a previous income year as far back as the 2018–19 income year.</p> <p>Part 1 of Schedule 3 to the Treasury Laws Amendment (2021 Measures No. 5) Act 2021</p> <p>Enacted on 7 December 2021 as Act No. 127 of 2021</p> <p>Inserts s 160-16 into Div 160 of the ITAA 1997 to clarify the mechanism through which an entity may change its loss carry back choice.</p> <p>A changed loss carry back choice applies as if it was always the entity’s choice. That is, it takes effect from the day the original choice was made.</p>	<p>Losses from 2019–20 to 2022–23 can be carried back against taxed profits from 2018–19 to 2021–22</p> <p>A loss carry back tax offset can be claimed in the 2021, 2022 or 2023 company income tax return</p>

Measure	Details of enacted Act	Start date
(continued...)	<p>Schedule 6 to the Corporate Collective Investment Vehicle Framework and Other Measures Act 2022</p> <p>Enacted on 22 February 2022 as Act No. 8 of 2022</p> <p>Extends the loss carry back rules by 12 months, allowing eligible corporate tax entities to also claim a loss carry back tax offset in the 2022–23 income year.</p> <p>The extension will allow eligible companies to carry back (utilise) tax losses from the 2022–23 income year to offset previously taxed profits as far back as the 2018–19 income year when they lodge their 2023 income tax return.</p> <p>Companies with aggregated turnover of less than \$5 billion are eligible for temporary loss carry-back.²</p> <p>Companies that do not elect to carry back losses under this measure can still carry losses forward as normal.</p>	
Retirement income covenant	<p>Schedule 9 to the Corporate Collective Investment Vehicle Framework and Other Measures Act 2022</p> <p>Enacted on 22 February 2022 as Act No. 8 of 2022</p> <p>Amends the SISA to insert a new covenant (new s 52(8A)) that aims to ensure trustees maximise the expected retirement income of beneficiaries.</p> <p>This covenant does not apply to trustees of SMSFs.</p>	1 July 2022
ESS: removing cessation of employment as a taxing point	<p>Schedule 10 to the Corporate Collective Investment Vehicle Framework and Other Measures Act 2022</p> <p>Enacted on 22 February 2022 as Act No. 8 of 2022</p> <p>Amends the ITAA 1997 to remove cessation of employment as a taxing point for ESS interests that are subject to deferred taxation.</p>	1 July 2022

² The loss carry back tax offset is limited by requiring that the amount carried back is not more than the tax paid on the earlier taxed profits and that the loss carry back does not generate a franking account deficit.

Measure	Details of enacted Act	Start date
<p>Removing the monthly minimum income threshold to count towards the SG</p>	<p>Schedule 1 to the Treasury Laws Amendment (Enhancing Superannuation Outcomes For Australians and Helping Australian Businesses Invest) Act 2022</p> <p>Enacted on 22 February 2022 as Act No. 10 of 2022</p> <p>Amends s 27 of the SGAA to remove the \$450 per month income threshold before an employee's salary or wages count towards the SG.</p> <p>This will expand the SG to cover employees who earn less than \$450 of salary or wages in a calendar month from a single employer.</p>	<p>1 July 2022</p>
<p>FHSSS maximum releasable amount</p>	<p>Schedule 2 to the Treasury Laws Amendment (Enhancing Superannuation Outcomes For Australians and Helping Australian Businesses Invest) Act 2022</p> <p>Enacted on 22 February 2022 as Act No. 10 of 2022</p> <p>Amends s 138-35 to Schedule 1 of the TAA to increase the total limit on the maximum amount of voluntary concessional and non-concessional contributions made from 1 July 2017 that are eligible to be released and used under the FHSSS from \$30,000 to \$50,000.</p>	<p>1 July 2022</p>
<p>Downsizer contributions</p>	<p>Schedule 3 to the Treasury Laws Amendment (Enhancing Superannuation Outcomes For Australians and Helping Australian Businesses Invest) Act 2022</p> <p>Enacted on 22 February 2022 as Act No. 10 of 2022</p> <p>Amends s 292-102 of the ITAA 1997 to allow individuals aged 60 and older to make downsizer contributions to their superannuation plan from the proceeds of selling their home.</p> <p>(See the age reduction on page 17).</p>	<p>1 July 2022</p>

Measure	Details of enacted Act	Start date
<p>Work test reforms for superannuation contributions</p>	<p>Schedule 4 to the <u>Treasury Laws Amendment (Enhancing Superannuation Outcomes For Australians and Helping Australian Businesses Invest) Act 2022</u></p> <p>Enacted on 22 February 2022 as Act No. 10 of 2022</p> <p>Amends ss 290-165 and 292-85 of the ITAA 1997 to apply the work test to individuals aged between 67 to 75 years who claim a deduction for personal superannuation contributions.</p> <p>This change facilitates the repeal of the existing work test that applies to non-concessional and salary sacrifice contributions.</p> <p>Schedule 4 to the Act also amends the ITAA 1997 to allow such individuals to make or receive non-concessional contributions under the bring forward rule.</p>	<p>1 July 2022</p>
<p>Segregated current pension assets</p>	<p>Schedule 5 to the <u>Treasury Laws Amendment (Enhancing Superannuation Outcomes For Australians and Helping Australian Businesses Invest) Act 2022</u></p> <p>Enacted on 22 February 2022 as Act No. 10 of 2022</p> <p>Amend the ITAA 1997 to allow superannuation trustees to choose their preferred method of calculating exempt current pension income when they have member interests in both accumulation and retirement phases for part, but not all, of the income year.</p>	<p>2021–22 and later income years</p>
<p>Extension of temporary full expensing of depreciating assets</p>	<p>Schedule 6 to the <u>Treasury Laws Amendment (Enhancing Superannuation Outcomes For Australians and Helping Australian Businesses Invest) Act 2022</u></p> <p>Enacted on 22 February 2022 as Act No. 10 of 2022</p> <p>Amends Subdiv 40-BB and ss 328-180 and 328-181 of the IT(TP)A to extend the temporary full expensing regime by 12 months, until 30 June 2023, to provide eligible businesses with additional time to access this measure.</p>	<p>Eligible assets acquired from 7:30pm AEDT on 6 October 2020 and first used or installed ready for use by 30 June 2023</p>

Measure	Details of enacted Act	Start date
<p>Medicare Levy Surcharge income thresholds</p>	<p>Schedule 1 to the Treasury Laws Amendment (Cost of Living Support and Other Measures) Act 2022</p> <p>Enacted on 31 March 2022 as Act No. 14 of 2022</p> <p>Amends the <i>Medicare Levy Act 1986</i> and the <i>A New Tax System (Medicare Levy Surcharge – Fringe Benefits) Act 1999</i> to increase:</p> <ul style="list-style-type: none"> ● the Medicare levy low-income thresholds for individuals and families (along with the dependent child/student component of the family threshold) in line with movements in the CPI; ● the Medicare levy low-income thresholds for individuals and families eligible for seniors and pensioners tax offset (along with the dependent child/student component of the family threshold), in line with movements in the CPI; and ● the Medicare levy surcharge low-income threshold in line with movements in the CPI. 	<p>2021–22 and later income years</p>

Measure	Details of enacted Act	Start date
<p>Deductibility of COVID-19 tests</p>	<p>Schedule 2 to the Treasury Laws Amendment (Cost of Living Support and Other Measures) Act 2022</p> <p>Enacted on 31 March 2022 as Act No. 14 of 2022</p> <p>Inserts new s 25-125 into the ITAA 1997 by allowing an income tax deduction for taxpayers who incur relevant COVID-19 testing expenses in gaining or producing their assessable income. The deduction applies to relevant expenses incurred on or after 1 July 2021.</p> <p>Broadly, the legislation provides a specific deduction for a taxpayer’s loss or outgoing incurred in gaining or producing assessable income. The loss or outgoing must be incurred in respect of a COVID-19 test with the purpose of determining whether the taxpayer should attend or remain at a place of work.</p> <p>The exemption from FBT for tests provided by employers to their employees for work purposes is given effect through the operation of the ‘otherwise deductible rule’.</p>	<p>Losses and outgoings on or after 1 July 2021</p>
<p>Employee share schemes</p>	<p>Schedule 4 to the Treasury Laws Amendment (Cost of Living Support and Other Measures) Act 2022</p> <p>Enacted on 31 March 2022 as Act No. 14 of 2022</p> <p>Provides regulatory relief to ESSs that meet particular requirements in order to make it easier for businesses to create ESS.</p> <p>The Act implements:</p> <ul style="list-style-type: none"> ● the Small Business Package – finance and cash flow measure from the 2018-19 MYEFO; ● the Employee Share Schemes – further reducing red tape measure from the Federal Budget 2022-23. 	<p>30 September 2022</p>

Measure	Details of enacted Act	Start date
Varying the GDP uplift factor for PAYG and GST instalments	<p>Schedule 5 to the Treasury Laws Amendment (Cost of Living Support and Other Measures) Act 2022</p> <p>Enacted on 31 March 2022 as Act No. 14 of 2022</p> <p>Amends the TAA to reduce the GDP adjustment factor for the 2022–23 income year to 2%. The GDP adjustment factor is applied by the Commissioner to work out the amount of PAYG and GST instalments payable by a taxpayer in certain circumstances.</p>	PAYG and GST instalments for instalment quarters that fall due for the 2022–23 income year

Key Acts enacted since issue of previous State of Tax Policy Report: May 2022

Measure	Details of enacted Act	Start date
Recovery grants for Cyclone Seroja	<p>Schedule 1 to the Treasury Laws Amendment (2022 Measures No. 1) Act 2022</p> <p>Enacted on 9 August 2022 as Act No. 35 of 2022</p> <p>Amends the ITAA 1997 to provide further support for small businesses and primary producers impacted by Cyclone Seroja in April 2021.</p> <p>This Schedule proposes to treat grants received in relation to Cyclone Seroja under Category C of the Disaster Recovery Funding Arrangements 2018 as NANE income for income tax purposes.³</p>	Applies to grants paid in the 2021–22 and later income years

³ This measure was originally contained in Schedule 5 to the [Treasury Laws Amendment \(Enhancing Tax Integrity and Supporting Business Investment\) Bill 2022](#) which lapsed on 11 April 2022 following the dissolution of Parliament when the Governor-General issued writs for the general election.

Measure	Details of enacted Act	Start date
Minor and technical amendments	<p>Schedule 4 to the Treasury Laws Amendment (2022 Measures No. 1) Act 2022</p> <p>Enacted on 9 August 2022 as Act No. 35 of 2022</p> <p>Makes various miscellaneous and technical amendments, including:⁴</p> <ul style="list-style-type: none"> retrospectively delays the commencement of changes impacting the Modernising Business Registers Program until the IT systems supporting the program are ready; removing the direct link between the eligibility for the FBT rebate and access to elements of the FBT exemption for hospital employees to restore access to the exemption to certain tax exempt not-for-profit societies and associations; and ensuring certain commutations do not exceed the transfer balance cap, applying to market-linked and life expectancy products only. 	<p>Applies from 1 July 2026</p> <p>Retrospectively applies from 2017-18 and later FBT years</p> <p>Retrospectively from 5 April 2022</p>
Assisting businesses to meet their record-keeping obligations	<p>Schedule 1 to the Treasury Laws Amendment (2022 Measures No. 2) Act 2022</p> <p>Enacted on 12 December 2022 as Act No. 84 of 2022</p> <p>Amends Schedule 1 to the TAA to empower the Commissioner to direct an entity to complete an approved record-keeping course where the Commissioner reasonably believes the entity has failed to comply with its tax-related record-keeping obligations as an alternative to existing financial penalties.⁵</p>	<p>3 months after the day of Royal Assent</p>

⁴ This measure was originally contained in Schedule 7 to the [Treasury Laws Amendment \(Enhancing Tax Integrity and Supporting Business Investment\) Bill 2022](#) which lapsed on 11 April 2022 following the dissolution of Parliament when the Governor-General issued writs for the general election.

⁵ This measure was originally contained in Schedule 1 to the [Treasury Laws Amendment \(Enhancing Tax Integrity and Supporting Business Investment\) Bill 2022](#) which lapsed on 11 April 2022 following the dissolution of Parliament when the Governor-General issued writs for the general election.

Measure	Details of enacted Act	Start date
Sharing economy reporting regime	<p>Schedule 2 to the Treasury Laws Amendment (2022 Measures No. 2) Act 2022</p> <p>Enacted on 12 December 2022 as Act No. 84 of 2022</p> <p>Amends s 396-55 of Schedule 1 to the TAA to require electronic platform operators to provide information on transactions made through the platform to the ATO.⁶</p> <p>The measure implements a recommendation of the report of the Black Economy Taskforce.</p>	<p>From 1 July 2023 for transactions in relation to the supply of taxi travel and short-term accommodation</p> <p>From 1 July 2024 for all other transactions</p>
Removing the self-education expenses threshold	<p>Schedule 3 to the Treasury Laws Amendment (2022 Measures No. 2) Act 2022</p> <p>Enacted on 12 December 2022 as Act No. 84 of 2022</p> <p>Amends s 82A of the ITAA 1936 and makes consequential amendments to remove the \$250 non-deductible threshold for work-related self-education expenses.⁷</p>	<p>2022-23 and later income years</p> <p>Consequential amendments to the FBTAA will apply to the FBT year starting on 1 April 2023 and to later FBT years</p>
Increased Tribunal powers for small business tax decisions	<p>Schedule 4 to the Treasury Laws Amendment (2022 Measures No. 2) Act 2022</p> <p>Enacted on 12 December 2022 as Act No. 84 of 2022</p> <p>Proposes to amend the TAA to enable small business entities to apply to the Small Business Taxation Division of the AAT for an order staying, or otherwise affecting, the operation or implementation of decisions of the Commissioner that are being reviewed by the AAT.⁸</p>	<p>Applications for review made to the AAT on or after the day after Royal Assent</p>

⁶ This measure was originally contained in Schedule 2 to the [Treasury Laws Amendment \(2021 Measures No. 7\) Bill 2021](#) which lapsed on 25 July 2022, the start of the 47th Parliament, following the 2022 Federal Election.

⁷ This measure was originally contained in Schedule 3 to the [Treasury Laws Amendment \(2021 Measures No. 7\) Bill 2021](#) which lapsed on 25 July 2022, the start of the 47th Parliament, following the 2022 Federal Election.

⁸ This measure was originally contained in Schedule 3 to the [Treasury Laws Amendment \(Streamlining and Improving Economic Outcomes for Australians\) Bill 2022](#) which lapsed on 11 April 2022 following the dissolution of Parliament when the Governor-General issued writs for the general election.

Measure	Details of enacted Act	Start date
Expanding eligibility for downsizer contribution	<p>Schedule 5 to the Treasury Laws Amendment (2022 Measures No. 2) Act 2022</p> <p>Enacted on 12 December 2022 as Act No. 84 of 2022</p> <p>Amends the ITAA 1997 to allow individuals aged 55 and above to make downsizer contributions to their superannuation from the proceeds of selling their main residence.⁹</p> <p>See original downsizer measure on page 10.</p>	1 January 2023
Data sharing to support government responses to major disasters	<p>Schedule 2 to the Treasury Laws Amendment (2022 Measures No. 3) Act 2022</p> <p>Enacted on 5 December 2022 as Act No. 75 of 2022</p> <p>Amends the TAA to allow protected information to be disclosed to Australian government agencies for the purpose of administering major disaster support programs approved by the Minister.</p>	6 December 2022
Tax treatment for new or revised visa programs	<p>Schedule 4 to the Treasury Laws Amendment (2022 Measures No. 3) Act 2022</p> <p>Enacted on 5 December 2022 as Act No. 75 of 2022</p> <p>Schedule 1 to the Income Tax Amendment (Labour Mobility Program) Act 2022</p> <p>Enacted on 5 December 2022 as Act No. 74 of 2022</p> <p>Extend the final withholding tax that applies for foreign resident workers under the SLMP to foreign resident workers under the PALM scheme.</p> <p>Also amend the <i>Income Tax (Seasonal Labour Mobility Program Withholding Tax) Act 2012</i> to change the title of the Act to the <i>Income Tax (Labour Mobility Program Withholding Tax) Act 2012</i> and makes consequential amendments to other tax legislation to reflect the consistent treatment of the PALM scheme with other seasonal and labour mobility programs moving forward.</p>	1 July 2022

⁹ This measure decreases the eligible age for individuals to receive the downsizer contribution from 60 to 55 as introduced by Schedule 3 to the [Treasury Laws Amendment \(Enhancing Superannuation Outcomes For Australians and Helping Australian Businesses Invest\) Act 2022](#) which was enacted on 22 February 2022 as Act No. 10 of 2022.

Measure	Details of enacted Act	Start date
Penalty unit increase	<p>Schedule 1 to the Crimes Amendment (Penalty Unit) Act 2022</p> <p>Enacted on 12 December 2022 as Act No. 82 of 2022</p> <p>Amends the <i>Crimes Act 1914</i> to increase the amount of the Commonwealth penalty unit from \$222 to \$275. However, the planned three-yearly indexation will not be impacted with the next round of indexation scheduled for 1 July 2023.</p>	Offences committed on or after 1 January 2023
CCS rates	<p>Schedule 1 to the Family Assistance Legislation Amendment (Cheaper Child Care) Act 2022</p> <p>Enacted on 29 November 2022 as Act No. 66 of 2022</p> <p>Amends the FAA to increase the rate of the CCS that Australian families are entitled to receive. Families earning up to \$80,000 will be entitled a CCS rate of 90%, with families earning over \$80,000 being entitled to a CCS rate that tapers down by one percentage point for each additional \$5,000 of family income until it reaches 0% for families earning \$530,000 (new CCS base rate).</p> <p>Further, the existing measure that provides a Higher CCS rate to families with multiple children aged five or under in care will be retained. For second and younger children aged five or under in care, families will receive an additional 30% (up to a maximum of 95%), which will continue to apply on top of the former CCS base rate. Families will be entitled to the Higher CCS rate up until a family income of \$356,756. If families earn \$356,756 (2022–23) or higher, all children in the family will be entitled to the new CCS base rate until it reaches 0% entitlement at \$530,000.</p> <p>This measure also includes minor amendments to clarify the policy intent of components of the Higher CCS and better reflect the administration of the program.</p>	<p>1 July 2023</p> <p>Day after Royal Assent</p>

Measure	Details of enacted Act	Start date
<p>Reporting and publication of certain information relating to approved providers</p>	<p>Schedule 2 to the Family Assistance Legislation Amendment (Cheaper Child Care) Act 2022</p> <p>Enacted on 29 November 2022 as Act No. 66 of 2022</p> <p>Amends the <i>A New Tax System (Family Assistance) (Administration) Act 1999</i> to introduce a mandatory reporting regime requiring large child care providers to report certain financial information to the Secretary of the Department of Education.</p> <p>This measure also provides for the publication of certain information relating to approved providers, and introduces a new civil penalty provision for a failure to comply with a new mandatory reporting regime for large child care providers.</p>	<p>1 July 2023</p>
<p>Activity test for Aboriginal or Torres Strait Islander children</p>	<p>Schedule 3 to the Family Assistance Legislation Amendment (Cheaper Child Care) Act 2022</p> <p>Enacted on 29 November 2022 as Act No. 66 of 2022</p> <p>Amends the FAA to introduce a base level of 36 subsidised hours of child care per fortnight for First Nations children, regardless of activity levels, for the purposes of the activity test. The CCS income test would continue to apply to determine the CCS percentage payable for the 36 hours of subsidised care.</p>	<p>1 July 2023</p>
<p>Dealing with serious non-compliance</p>	<p>Schedule 4 to the Family Assistance Legislation Amendment (Cheaper Child Care) Act 2022</p> <p>Enacted on 29 November 2022 as Act No. 66 of 2022</p> <p>Amends the FAA to introduce the requirement for child care providers to collect gap fees via electronic funds transfer, make good governance an eligibility requirement for provider approval and allow the Secretary to specify the information an attendance report by a provider must contain.</p>	<p>1 July 2023</p>

Measure	Details of enacted Act	Start date
Child care discount for early childhood workforce	<p>Schedule 5 to the Family Assistance Legislation Amendment (Cheaper Child Care) Act 2022</p> <p>Enacted on 29 November 2022 as Act No. 66 of 2022</p> <p>Amends the FAA to permit child care providers to offer a discount on child care fees to staff engaged as educators, without this affecting the amount of CCS payable for the educator.</p>	1 January 2023
Minor and technical amendments to the CCS	<p>Schedules 6 to 8 to the Family Assistance Legislation Amendment (Cheaper Child Care) Act 2022</p> <p>Enacted on 29 November 2022 as Act No. 66 of 2022</p> <p>Amend the FAA or clarify the operation of CCS, including:</p> <ul style="list-style-type: none"> clarifying the interactions with CCS where providers waive gap fees for families in prescribed events or circumstances; providing additional discretion to allow payment of CCS for absences in exceptional circumstances; and changing the period for passing on CCS amounts to families in limited circumstances. 	Various
Adjustment to tax on certain payments or credits made to Indian residents	<p>Schedule 1 to the Treasury Laws Amendment (Australia-India Economic Cooperation and Trade Agreement Implementation) Act 2022</p> <p>Enacted on 23 November 2022 as Act No. 60 of 2022</p> <p>Amends the <i>International Tax Agreements Act 1953</i> to ensure that payments or credits to Indian firms providing certain remote technical services (not through a permanent establishment) to Australian customers, are no longer subject to Australian taxation.</p>	29 December 2022 ¹⁰

¹⁰ The start date for this measure was set by the [Customs \(India-Australia Economic Cooperation and Trade Agreement Implementation\) Notice 2022](#), which was registered on 1 December 2022.

Measure	Details of enacted Act	Start date
Electric car discount: exemptions from fringe benefits tax	<p>Schedules 1 and 2 to the Treasury Laws Amendment (Electric Car Discount) Act 2022</p> <p>Enacted on 12 December 2022 as Act No. 86 of 2022</p> <p>Amend the FBTAA to exempt from FBT the use, or availability for use of, cars that are zero or low emissions vehicles and made available by employers to current employees.</p> <p>The FBT exemption relates to car fringe benefits and therefore applies only to vehicles that are ‘cars’ for FBT purposes. Other types of electric vehicles are excluded. To be eligible for the exemption, the value of the car at the first retail sale must be below the luxury car tax threshold for fuel efficient cars.</p>	Fringe benefits provided after 1 July 2022 on eligible vehicles which are first held and used on or after 1 July 2022

Tax depreciation incentive Acts

Measure	Details of enacted Act	Start date
Instant asset write-off	<p>Schedule 1 to the Coronavirus Economic Response Package Omnibus Act 2020</p> <p>Enacted on 24 March 2020 as Act No. 22 of 2020</p> <ul style="list-style-type: none"> Increases the cost threshold below which small business entities can access an immediate deduction for depreciating assets and certain related expenditure from \$30,000 to \$150,000. Allows entities with an aggregated turnover of \$10 million or more but less than \$500 million (up from the existing cap of \$50 million) to access the IAWO. Makes the IAWO available for depreciating assets and certain related expenditure costing less than \$150,000. 	12 March 2020 to 30 June 2020 ¹¹

¹¹ Schedule 4 to the *Treasury Laws Amendment (2020 Measures No. 3) Act 2020* extended the \$150,000 IAWO by six months to 31 December 2020 (see [page 19](#)).

Measure	Details of enacted Act	Start date
Backing business investment incentive	<p>Schedule 2 to the Coronavirus Economic Response Package Omnibus Act 2020</p> <p>Enacted on 24 March 2020 as Act No. 22 of 2020</p> <p>Allows businesses with aggregated turnovers of less than \$500 million to deduct capital allowances for depreciating assets at an accelerated rate (50% in the first year).</p>	12 March 2020 to 30 June 2021
Extending the IAWO	<p>Schedule 4 to the Treasury Laws Amendment (2020 Measures No. 3) Act 2020</p> <p>Enacted on 19 June 2020 as Act No. 61 of 2020</p> <p>Allows businesses with an aggregated turnover of less than \$500 million to immediately deduct the cost of a depreciating asset where the asset is purchased for less than \$150,000 and is first used or installed ready for use for a taxable purpose by 31 December 2020.</p> <p>This extends the \$150,000 IAWO by six months that would otherwise have ended on 30 June 2020.</p>	1 July 2020 to 31 December 2020
TFE of depreciating assets	<p>Schedule 7 to the Treasury Laws Amendment (A Tax Plan for the COVID-19 Economic Recovery) Act 2020</p> <p>Enacted on 14 October 2020 as Act No. 92 of 2020</p> <p>Allows businesses with an aggregated turnover of less than \$5 billion to deduct the full cost of eligible depreciating assets (including improvements to these assets).</p> <p>(See further amendment below to extend the measure by 12 months to 30 June 2023.)</p>	Depreciating assets first held, and first used or installed ready for use, for a taxable purpose at or after 7:30pm AEDT on 6 October 2020 to 30 June 2022

Measure	Details of enacted Act	Start date
TFE of depreciating assets – amendments	<p>Schedule 1 to the Treasury Laws Amendment (2020 Measures No. 6) Act 2020</p> <p>Enacted on 17 December 2020 as Act No. 141 of 2020</p> <p>Amends the TFE and backing business investment provisions in the income tax law to provide greater flexibility for entities to access the concessions by:</p> <ul style="list-style-type: none"> ● providing an alternative mechanism¹² to the existing test for working out if the \$5 billion threshold applies to qualify for TFE; and ● allowing entities to opt out of TFE and the backing business investment incentives on an asset-by-asset basis. <p>Schedule 1 to the Act also clarifies the intended operation of TFE by ensuring a balancing adjustment event occurs if a depreciating asset has its decline in value worked out under the TFE provisions and, in a later income year, the asset no longer meets the test regarding its use or its location in Australia.</p>	1 January 2021 ¹³
Extension of TFE of depreciating assets	<p>Schedule 6 to the Treasury Laws Amendment (Enhancing Superannuation Outcomes For Australians and Helping Australian Businesses Invest) Act 2021</p> <p>Enacted on 22 February 2022 as Act No. 10 of 2022</p> <p>Amends Subdiv 40-BB and ss 328-180 and 328-181 of the IT(TP)A to extend the TFE regime by 12 months, until 30 June 2023, to provide eligible businesses with additional time to access this measure.</p>	Eligible assets acquired from 7:30pm AEDT on 6 October 2020 and first used or installed ready for use by 30 June 2023

¹² Under the investment test, the entity must have a minimum total cost of more than \$100 million of depreciating assets for the 2016–17 to 2018–19 income years (combined).

¹³ While these amendments commence prospectively, they apply for a fixed period in relation to the 2019–20 and 2020–21 income years for the backing business investment provisions, and also for a fixed period for the 2020–21 and 2021–22 income years for the TFE measure: para 1.41 of the Explanatory Memorandum to the Bill.

Registered legislative instruments

Measure	Details of registered instrument	Start date
Superannuation – minimum pension draw down rates	<p>Schedule 10 to the Coronavirus Economic Response Package Omnibus Act 2020</p> <p>Enacted on 24 March 2020 as Act No. 22 of 2020</p> <p>Halves the minimum payment amounts for account-based pensions for the 2019–20 and 2020–21 financial years. The current rates for minimum annual payments for superannuation income streams can be found on the ATO website.</p> <p>Superannuation Legislation Amendment (Superannuation Drawdown) Regulations 2022</p> <p>Legislative instrument registered on 1 April 2022</p> <p>Extends the temporary reduction in superannuation account-based pension minimum draw down rates for a further year to 30 June 2023.</p> <p>This builds on the previous announcement and legislative instrument that extended the superannuation minimum draw down until 30 June 2022.</p>	2019–20 to 2022–23 financial years
Eligible COVID-19 business grants and support programs	<p>Section 59-97 of the ITAA 1997 treats monies from eligible grants provided by State and Territory Governments to be treated as NANE income.</p> <p>The following legislative instruments list the eligible grants:</p> <p>Income Tax Assessment (Eligible State and Territory COVID-19 Economic Recovery Grant Programs) Declaration 2020</p> <p>Legislative instrument registered on 24 December 2020</p> <p>Income Tax Assessment (Eligible State and Territory COVID-19 Economic Recovery Grant Programs) Amendment Declaration (No. 1) 2021</p> <p>Legislative instrument registered on 20 July 2021</p>	Eligible payments received by eligible businesses in the 2020–21 and 2021–22 income years

Measure	Details of registered instrument	Start date
(continued ...)	<p>Income Tax Assessment (Eligible State and Territory COVID-19 Economic Recovery Grant Programs) Amendment Declaration (No. 2) 2021</p> <p>Legislative instrument registered on 23 August 2021</p> <p>Income Tax Assessment (Eligible State and Territory COVID-19 Economic Recovery Grant Programs) Amendment Declaration (No. 3) 2022</p> <p>Legislative instrument registered on 4 April 2022</p> <p>Income Tax Assessment (Eligible State and Territory COVID-19 Economic Recovery Grant Programs) Amendment Declaration (No. 5) 2022</p> <p>Legislative instrument registered on 18 November 2022</p>	
No TFN or ABN withholding for low-income minors	<p>Taxation Administration: Withholding Variation to Nil for Low Income Minors Legislative Instrument 2022</p> <p>Legislative instrument registered on 3 August 2022</p> <p>This instrument varies to nil the amount of PAYG withholding for low income minors who do not provide a TFN declaration or quote their ABN to a person making a payment to them.</p>	1 October 2022
Electronic Payment System transactions exempt from reporting	<p>Taxation Administration: Classes of Electronic Payment System Transactions Exempt from Being Reported in Third Party Reports Determination 2022</p> <p>Legislative instrument registered 1 December 2022</p> <p>Exempts the reporting of payments processed by New Payments Platform Participants, except where that transaction is a successfully initiated payment received under a PayTo Agreement. The reporting of electronic transactions that are received under a PayTo Agreement will ensure that these transactions continue to be reported irrespective of the platform on which they are processed.</p>	Transactions processed after 1 July 2022

Measure	Details of registered instrument	Start date
<p>Declaration on new developing country relief funds</p>	<p>Income Tax Assessment (Developing Country Relief Funds) Amendment (Update No. 1) Declaration 2022</p> <p>Legislative instrument registered on 8 December 2022</p> <p>This legislative instrument declares the following funds as developing country relief funds that are eligible DGRs under s 30-85(2) of ITAA 1997:</p> <ul style="list-style-type: none"> ● A Liquid Future Ltd Gift Fund; ● The ICDP Foundation Fund; and ● Mphatso Children’s Foundation Gift Fund. 	<p>9 December 2022</p>
<p>Exclusions from shorter period of review for SMEs</p>	<p>Income Tax Assessment (1936 Act) Amendment (Period of Review) Regulations 2022</p> <p>Legislative instrument registered on 8 December 2022</p> <p>Access to a shortened period of review of 2 years (instead of 4 years) was extended to include medium business entities (aggregated turnover between \$10 million and \$50 million) under amendments by the Treasury Laws Amendment (A Tax Plan for the COVID-19 Economic Recovery) Act 2020.</p> <p>This legislative instrument excludes certain entities from the shortened 2-year period of review including, but not limited to, entities:</p> <ul style="list-style-type: none"> ● with related party dealings of at least \$200,000; ● that derive more than \$200,000 in income from foreign sources; ● with 10 other entities that are connected with them or are their affiliates; ● that have claimed the R&D tax offset; or ● that have claimed certain CGT rollover relief including under Div 615 and Div 125 of the ITAA 1997. 	<p>Income tax returns lodged after 9 December 2022 that relate to income years starting on or after 1 July 2021.</p>

Measure	Details of registered instrument	Start date
Minor and technical amendments	<p>Treasury Laws Amendment (Miscellaneous and Technical Amendments) Regulations 2022</p> <p>This legislative instrument addresses drafting minor drafting defects in the tax law, such the inconsistent or erroneous usage of defined terms, to ensure the legislation operates as intended.</p> <p>Legislative instrument registered on 12 December 2022</p>	9 December 2022

Bills before Parliament

* Status of Bills at adjournment of Parliament on 15 December 2022.

Measure	Details of enacted Act	Start date
Digital Games Tax Offset	<p>Schedule 1 to the Treasury Laws Amendment (2022 Measures No. 4) Bill 2022</p> <p>Before the Senate</p> <p>Amends the ITAA 1997 by inserting a new Div 378 which introduces a 30% refundable DGTO, for eligible businesses that spend a minimum of \$500,000 on qualifying Australian games expenditure.</p> <p>The maximum DGTO that a developer will be able to claim in each year will be \$20 million.</p>	1 July 2022
Taxation treatment of digital currency	<p>Schedule 2 to the Treasury Laws Amendment (2022 Measures No. 4) Bill 2022</p> <p>Before the Senate</p> <p>Amends the ITAA 1997 to clarify that digital currencies (such as bitcoin) continue to be excluded from the income tax treatment of foreign currency.</p> <p>For the purpose of these amendments, the term digital currency does not include digital currencies issued by, or under the authority of, a government agency ('government-issued digital currency') which continue to be taxed as foreign currency.</p>	Income years commencing on or after 1 July 2021

Measure	Details of enacted Act	Start date
<p>Reducing the compliance burden of record keeping for FBT</p>	<p>Schedule 3 to the Treasury Laws Amendment (2022 Measures No. 4) Bill 2022</p> <p>Before the Senate</p> <p>Amends the FBTAA to reduce compliance costs for employers finalising their FBT returns by empowering the Commissioner to allow them, where it is appropriate to do so, to rely on adequate alternative records holding all the prescribed information instead of seeking that information again by way of statutory evidentiary documents, such as prescribed employee declarations.</p> <p>This measure is intended to reduce and simplify FBT record keeping requirements for employers while producing similar compliance outcomes with lower compliance costs.</p>	<p>First day of the quarter after Royal Assent</p>
<p>Skills and Training Boost</p>	<p>Schedule 4 to the Treasury Laws Amendment (2022 Measures No. 4) Bill 2022</p> <p>Before the Senate</p> <p>Amends the IT(TP) Act to provide small businesses (with aggregated annual turnover of less than \$50 million) with access to a bonus deduction equal to 20% of eligible expenditure for external training provided to their employees.¹⁴</p>	<p>Eligible expenditure incurred after 7:30pm on 29 March 2022 until 30 June 2024</p>

¹⁴ This measure was originally [announced](#) on 29 March 2022 by the former Government as part of the Federal Budget 2022-23.

Measure	Details of enacted Act	Start date
Technology investment boost	<p>Schedule 5 to the Treasury Laws Amendment (2022 Measures No. 4) Bill 2022</p> <p>Before the Senate</p> <p>Amends the IT(TP) Act to provide small businesses (with aggregated annual turnover of less than \$50 million) with access to a bonus deduction equal to 20% of their eligible expenditure on expenses and depreciating assets for the purposes of their digital operations or digitising their operations.</p> <p>The bonus deduction applies to the total of eligible expenditure of up to \$100,000 per income year or specified time period, up to a maximum bonus deduction of \$20,000 per income year or specified time period.¹⁵</p>	<p>Eligible expenditure incurred after 7:30pm on 29 March 2022 until 30 June 2023</p>

¹⁵ This measure was originally [announced](#) on 29 March 2022 by the former Government as part of the Federal Budget 2022-23.

Measure	Details of enacted Act	Start date
<p>Financial reporting and auditing requirements for superannuation entities</p>	<p>Schedule 6 to the Treasury Laws Amendment (2022 Measures No. 4) Bill 2022</p> <p>Before the Senate</p> <p>Amends the Corporations Act, the <i>Australian Securities and Investments Commission Act 2001</i> and the SISA to extend and adapt the financial reporting and auditing requirements in Chapter 2M of the Corporations Act to apply to registrable superannuation entities.¹⁶</p> <p>The financial reporting requirements require the RSE licensee for a registrable superannuation entity to:</p> <ul style="list-style-type: none"> ● prepare and lodge financial reports for each financial year with ASIC; ● make the financial report, directors' report and auditor's report for each financial year publicly available on the entity's website; ● include details on how to access the financial report, directors' report and auditor's report for a financial year with the notice of the annual members' meeting; and ● provide the entity's financial reports for a specified financial year to a member upon request. <p>The auditing requirements require the RSE licensee for a registrable superannuation entity to appoint an individual auditor, audit firm or audit company to conduct an audit of the entity and for the auditor to:</p> <ul style="list-style-type: none"> ● prepare an auditor's report for an audit of an entity's financial report; ● report specified matters to the relevant Regulator; ● meet auditor independence and rotation requirements; and ● prepare, lodge and publish auditor transparency reports, if required. 	<p>1 July 2023</p>

¹⁶ This measure was originally [announced](#) on 29 March 2022 by the former Government as part of the Federal Budget 2022-23.

Measure	Details of enacted Act	Start date
Deductible gift recipients	<p>Schedule 7 to the Treasury Laws Amendment (2022 Measures No. 4) Bill 2022</p> <p>Before the Senate</p> <p>Amends the ITAA 1997 to:¹⁷</p> <ul style="list-style-type: none"> list Melbourne Business School Limited, Leaders Institute of South Australia Incorporated, St Patrick’s Cathedral Melbourne Restoration Fund, Jewish Education Foundation (Vic) Ltd, Australian Education Research Organisation Limited, and Australians for Indigenous Constitutional Recognition Ltd as DGRs; extend the DGR listings of Sydney Chevra Kadisha and Australian Women Donors Network; and remove the DGR listing of the Mt Eliza Graduate School of Business and Government Limited. 	Various
Taxation of military superannuation benefits: Reversing the Douglas decision	<p>Schedule 9 to the Treasury Laws Amendment (2022 Measures No. 4) Bill 2022</p> <p>Before the Senate</p> <p>Amends various taxation laws to confirm the tax treatment of certain defined benefit pensions following the Full Federal Court decision in <i>Commissioner of Taxation v Douglas</i> [2020] FCAFC 220 (Douglas decision).</p> <p>This measure also provides a non-refundable tax offset for recipients of invalidity benefits paid in accordance with the Military Superannuation and Benefits Scheme and Defence Force Retirement and Death Benefits Scheme to ensure they do not pay additional income tax because of the Douglas decision.¹⁸</p>	Income years commencing on or after 1 July 2007

¹⁷ This measure was originally [announced](#) on 29 March 2022 by the former Government as part of the Federal Budget 2022–23.

¹⁸ This measure was originally [announced](#) on 29 March 2022 by the former Government as part of the Federal Budget 2022–23.

Measure	Details of enacted Act	Start date
Additional DGRs	<p>Schedule 1 o the Treasury Laws Amendment (2022 Measures No. 5) Bill 2022</p> <p>Before the Senate</p> <p>Proposes to amend the ITAA 1997 to:</p> <ul style="list-style-type: none"> ● list Melbourne Business School Limited, Leaders Institute of South Australia Incorporated, St Patrick’s Cathedral Melbourne Restoration Fund, Jewish Education Foundation (Vic) Ltd, Australian Education Research Organisation Limited, and Australians for Indigenous Constitutional Recognition Ltd as deductible gift recipients; ● extend the deductible gift recipient listings of Sydney Chevra Kadisha and Australian Women Donors Network; and ● remove the DGR listing of the Mt Eliza Graduate School of Business and Government Limited. 	Various

Measure	Details of enacted Act	Start date
<p>Paid parental leave amendments</p>	<p>Schedules 6 to 8 to the Paid Parental Leave Amendment (Improvements for Families and Gender Equality) Bill 2022</p> <p>Before the House of Representatives</p> <p>Amends the <i>Paid Parental Leave Act 2010</i> to:</p> <ul style="list-style-type: none"> ● Extend parental leave pay from 18 weeks to 20 weeks from 1 July 2023, with two weeks reserved on a ‘use it or lose it’ basis for each claimant. Dad and partner pay will be abolished. ● Remove the notion of ‘primary’, ‘secondary’ and ‘tertiary’ claimants and the requirement that the primary claimants of parental leave pay must be the birth parent, allowing families to determine how the entitlement will be shared. Consequential amendments will be made to allow this determination. ● Make paid parental leave consist of only flexible paid parental leave days, allowing claimants to take the payment in multiple blocks, as small as one day at a time, within two years of the birth or adoption, and remove the requirement to not return to work in order to be eligible. ● Introduce a \$350,000 family income limit, under which families can be assessed if they do not meet the individual income test. ● Expand eligibility to allow an eligible father or partner to receive parental leave pay regardless of whether the birth parent meets the income test, residency requirements or is serving a newly arrived resident’s waiting period. 	<p>26 March 2023</p>

Measures no longer proceeding

During the Federal Budget 2022–23 on 25 October 2022, the Government [announced](#) that it would no longer proceed with the following measures.

Measure	Details of lapsed Bill or measure not proceeding	Start date
Amendments to the debt/equity rules	The previous Government announced on 14 December 2013 that it would limit the scope of an integrity provision in the debt/equity rules under Div 974 of the ITAA 1997 to prevent unintended outcomes. The design of this measure will be considered as part of the post-implementation review of the debt-equity provisions, which was being carried out by the Board at that time. ¹⁹	TBA
Reforms to the TOFA rules	<p>As part of the Federal Budget 2016–17, the former Government announced it would reform the TOFA rules under Div 230 of the ITAA 1997 to reduce the scope, decrease compliance costs and increase certainty through the redesign of the TOFA framework.</p> <p>This measure proposed to make the following amendments:</p> <ul style="list-style-type: none"> ● a ‘closer link to accounting’ which to strengthen and simplify the existing link between tax and accounting in the TOFA rules; ● simplified accruals and realisation rules, which would significantly reduce the number of taxpayers impacted by the TOFA rules and reduce the required calculations; ● a new tax hedging regime; and ● simplified rules for the taxation of gains and losses on foreign currency that intended to preserve the current tax outcomes but streamline the operation of the legislation. 	Day the enabling legislation receives Royal Assent ²⁰

¹⁹ The Board’s review of the debt/equity rules, including Final Report, can be accessed [here](#).

²⁰ As part of the Federal Budget 2018–19, the previous Government [announced](#) it would defer the proposed start date of this measure to allow additional time for the final design and implementation of this measure.

Measure	Details of lapsed Bill or measure not proceeding	Start date
Tax treatment of asset backed financing arrangements	As part of the Federal Budget 2016–17, the former Government announced it would clarify the tax treatment of asset backed financing arrangements and ensure that they are treated in the same way as financing arrangements based on interest bearing loans or investments.	1 July 2018
New framework for limited partnership collective investment vehicles	As part of the Federal Budget 2016–17, the former Government announced it would introduce a new limited partnership collective investment vehicle. This measure was intended to increase the attractiveness of Australian investments to foreign investors by allowing fund managers to establish structures that are more familiar to foreign investors.	1 July 2018
Economy-wide cash payment limit	As part of the Federal Budget 2016–17, the former Government announced that it would introduce a limit of \$10,000 for cash payments made to businesses for goods and services.	1 January 2020 ²¹
Standardised reporting for providers of retirement income products	As part of the Federal Budget 2018–19, the former Government announced that it would amend the <i>Corporations Act 2001</i> to introduce a requirement for providers of retirement income products to report simplified, standardised metrics in product disclosure to assist customer decision making	TBA

²¹ As part of the MYEFO 2016–17, the former Government [announced](#) that it would defer the start date of this measure from 1 July 2019 to 1 July 2020 to allow additional time for the design and implementation of this measure.

Measure	Details of lapsed Bill or measure not proceeding	Start date
Intangible asset depreciation	<p>Schedule 3 to the Treasury Laws Amendment (Enhancing Tax Integrity and Supporting Business Investment) Bill 2022</p> <p>Lapsed before the House of Representatives on 11 April 2022</p> <p>Proposes to amend the ITAA 1997 to provide taxpayers to choose whether to self-assess the effective life of eligible depreciating intangible assets (such as patents, registered designs, copyrights and in-house software), held on or after 1 July 2023, or to continue to use the tax effective life currently specified in the law.²²</p>	Applies to certain intangible depreciating assets that start to be held on or after 1 July 2023
3-year audit cycle for some SMSFs	<p>Consultation Paper released on 6 July 2018 set out a proposal to change the annual audit requirement for SMSFs to a 3-yearly requirement for SMSFs with a good compliance history and no prescribed 'events'.</p> <p>The measure was originally announced by the former Government as part of the Federal Budget 2018-19.</p>	1 July 2019
DGR category for pastoral care services	<p>Consultation Paper released on 2 March 2022 that sought input on the implementation and design of a new DGR category to enable funds to access DGR status where the fund supports pastoral care services delivered to students in Australian primary and secondary schools.</p> <p>The measure was originally announced by the former Government as part of the MYEFO 2021-22.</p>	TBA

²² This measure was previously contained in Schedule 2 to the [Treasury Laws Amendment \(2017 Enterprise Incentives No. 1\) Bill 2017](#) that was introduced into Parliament on 30 March 2017. That Bill proposed to amend the income tax law to provide taxpayers with the choice to self-assess the effective life of certain intangible depreciating assets they start to hold on or after 1 July 2016, rather than using the statutory effective life currently specified in s 40-95(7) of the ITAA 1997.

On 5 December 2018, the Government's amendment in the Senate to remove Schedule 2 from the Bill was agreed to by the Senate, and the Bill was enacted on 1 March 2019 without the measure affecting intangible assets proceeding.

Exposure draft legislation

At the time of publication, exposure draft legislation and regulations had been released for comment for the measures set out in the table below. The Bills had not been introduced into Parliament.

Measure	Details of exposure draft Bill/Regulation	Start date
Reforms to reporting and transparency of the charity sector	<p>An exposure draft of the Australian Charities and Not-for-profits Commission Amendment (2021 Measures No. 3) Regulations 2021 was released on 20 September 2021.</p> <p>Following the Government's agreement to recommendations in the Australian Charities and Not-for-profits Commission Legislation Review 2018, the draft Bill proposes to make the following amendments:</p> <ul style="list-style-type: none"> ● Increase the revenue thresholds defining small, medium and large registered charities;²³ ● require all registered charities to disclose related party transactions, with small registered charities to make a simplified disclosure involving a brief description of related party transactions; and ● provide an exemption for medium registered charities and large registered charities with only one remunerated key management person from the requirement to disclose, as part of their related party transactions, aggregate remuneration paid to responsible persons and senior executives. 	<p>Regulations increasing the annual revenue thresholds apply from the 2021–22 financial year²⁴</p> <p>Changes to related party disclosures apply from the 2022–23 financial year²⁵</p>

²³ The threshold for a **small** registered entity is proposed to be increased from less than \$250,000 to less than \$500,000; for a **medium** registered entity from \$250,000 to less than \$1 million to \$500,000 to less than \$3 million; and for a **large** registered entity from \$1 million or more to \$3 million or more.

²⁴ Or the period substituted for the 2021–22 financial year for those entities with an approved substituted accounting period.

²⁵ The proposed amendments apply to entities required to prepare a special purpose financial report disclosing the remuneration of key management personnel from the 2021–22 financial year (or the period substituted for the 2022–23 financial year for those entities with an approved substituted accounting period).

Measure	Details of exposure draft Bill/Regulation	Start date
WHMs and SLMP	<p>An exposure draft of the Treasury Laws Amendment (Measures for Consultation) Bill 2021: Miscellaneous and Technical Amendments No. 2 and associated draft regulations were released on 24 September 2021.</p> <p>The draft Bill and draft regulations seek to ensure that the law operates as intended by correcting technical or drafting defects, removing anomalies and addressing unintended outcomes in laws under the Treasury's portfolio.</p> <p>The draft Bill and draft regulations include the following proposed changes to tax laws:</p> <ul style="list-style-type: none"> ● Amends s 3A of the ITRA to ensure the WHM tax regime functions properly despite disruptions caused by COVID-19. ● Amends the income tax laws to ensure the SLMP tax regime functions properly despite disruptions caused by COVID-19. 	<p>Changes impacting WHMs will apply to:</p> <ul style="list-style-type: none"> ● non-residents retrospectively from 1 July 2019; ● residents prospectively from the first 1 July after the enabling legislation receives Royal Assent <p>Changes to the SLMP will apply from 1 July 2019</p>
Franked distributions and capital raising	<p>An exposure draft of the Treasury Laws Amendment (Measures for a later sitting) Bill 2022: Franked distributions funded by capital raisings was released on 14 September 2022.²⁶</p> <p>The draft Bill proposes to prevent companies from attaching franking credits to distributions to shareholders made outside or additional to the company's normal dividend cycle, to the extent the distributions are funded directly or indirectly by capital raising activities that result in the issue of new equity interests.</p>	

²⁶ This measure was originally [announced](#) by the former Government on 16 December 2016 as part of the MYEFO 2016-17.

Measure	Details of exposure draft Bill/Regulation	Start date
Strengthening the ABN system	<p>An exposure draft of the Treasury Laws Amendment (Measures for Consultation) Regulations 2021: Miscellaneous and Technical Amendments Autumn 2022 was released on 1 November 2022</p> <p>The draft legislation seeks to make ongoing ABN registration contingent on ABN holders meeting two additional obligations:</p> <ul style="list-style-type: none"> ● the obligation to comply with income tax return lodgment requirements; and ● the obligation to update the accuracy of their details on the Australian Business Register annually. 	<p>1 July 2022²⁷</p> <p>1 July 2023²⁷</p>
Improving the integrity of off-market share buy-backs	<p>An exposure draft of the Treasury Laws Amendment (Off-Market Share Buy-Backs) Bill 2022 was released on 17 November 2022.²⁸</p> <p>The draft legislation proposes to align the tax treatment of off-market share buy-backs undertaken by listed public companies with the tax treatment of on-market share buy-backs.</p> <p>This measure also includes commensurate amendments to the tax treatment of selective share cancellations for listed public companies.</p> <p>Additionally, distributions by listed public company that are considered consideration for the cancellation of a membership interest as part of a selective reduction of capital will now be unfrankable.</p>	7:30pm AEDT on 25 October 2022

²⁷ The earliest an ABN may be cancelled under the first ground will be the later half of 2024, following the failure to lodge income tax returns for income years commencing 1 July 2022 and 1 July 2023. The Registrar may cancel a person's ABN from 1 July 2024 following the person's failure to confirm their details and their need for an ABN within the previous 12 months (the second ground).

²⁸ This measure was [announced](#) on 25 October 2022 as part of the Federal Budget 2022-23.

Measure	Details of exposure draft Bill/Regulation	Start date
<p>Implementation of the Government's response to the Review of the TPB</p>	<p>An exposure draft of the Treasury Laws Amendment (Measures for Consultation) Bill 2022: Tax Practitioners Board Review was released on 18 November 2022.</p> <p>The draft legislation proposes to amend the <i>Tax Agent Services Act 2009</i> to implement the following recommendations from the independent review:</p> <ul style="list-style-type: none"> ● amend the object clause of the TASA to make it more contemporary and better aligned with the TPB's role and responsibilities. ● enhance the TPB's financial independence by establishing a Special Account. ● amending the TASA to strengthen the disclosure requirements to require tax practitioners to not employ or use disqualified entities in the provision of tax agent services without approval from the TPB. ● converting the 3-year registration cycle to annual registration to align with the TPB's administrative annual declaration process. ● amending the TASA to give the relevant Minister the power to supplement the TASA's Code of Professional Conduct (the Code) to address emerging or existing behaviours and practices. 	<p>1 July 2023</p>
<p>DGR Registers Reform</p>	<p>An exposure draft of the Treasury Laws Amendment (Measures for Consultation) Bill 2023: Deductible Gift Recipient Registers Reform was released on 19 January 2023.</p> <p>The draft legislation propose to transfer the administration of 4 unique categories of DGRs from portfolio agencies to the ATO.</p>	<p>First quarter to occur 6 months after the day the enabling legislation receives Royal Assent</p>

Policy developments and announcements

Discussion papers

Measure	Details of discussion paper	Start date
Access to superannuation for crime victims	<p>Consultation Paper released on 27 May 2018 that sets out a proposal to allow victims of certain crimes, such as serious violent crimes, with unpaid or partially paid compensation orders to access money held in their perpetrator’s superannuation to pay the outstanding compensation.</p> <p>Announced on 17 December 2018 as part of the Mid-Year Economic and Fiscal Outlook 2018–19.</p>	12 months after the date the enabling legislation receives Royal Assent
Early release of superannuation	<p>Treasury review of current rules governing early release of superannuation on compassionate grounds and in cases of severe financial hardship.</p> <p>Consultation Paper released on 19 December 2017</p> <p>Consultation Paper released on 20 November 2018</p>	To be advised
Licensing an individual’s fame or image	<p>Consultation paper released on 13 December 2018 that sets out a proposal to amend the tax law to include all remuneration, including payments and non-cash benefits, provided for the commercial exploitation of a person’s fame or image in that individual’s assessable income.</p> <p>(See also <i>ATO advice under development</i> on page 64)</p>	1 July 2019

Measure	Details of discussion paper	Start date
Div 7A	<p>Proposed reforms to improve the integrity and operation of Div 7A of Part III of the ITAA 1936.</p> <p>Relevant dates:</p> <ul style="list-style-type: none"> ● 18 May 2012 Assistant Treasurer (Labor) commissioned a review by the Board of Taxation (the Board) ● 12 Nov 2014 Final report provided by the Board to the Government ● 4 Jun 2015 Board's final report released by Treasury – 15 recommendations to reform Div 7A ● 3 May 2016 Budget announcement – proposed reforms to commence from 1 July 2018 ● 8 May 2018 Budget announcement – defer reforms to 1 July 2019 ● 22 Oct 2018 Release of Treasury Consultation paper ● 2 Apr 2019 Budget announcement – defer reforms to 1 July 2020 ● 30 Jun 2020 Announcement – proposed reforms to apply to income years commencing on or after the date the enabling legislation receives Royal Assent 	Income years commencing on or after the date the enabling legislation receives Royal Assent
Education and training expense deductions for individuals	<p>Discussion Paper released on 11 December 2020 that sets out a proposal to allow individuals to deduct education and training expenses they incur, where the expense is not related to their current employment.</p> <p>Announced on 2 October 2020.</p>	2 October 2020
Reform of Australia's electronic surveillance framework	<p>Discussion Paper released on 6 December 2021 by the Department of Home Affairs to provide an overview of how the Government plans to reform Australia's electronic surveillance legislative framework.</p> <p>Relevantly, these reforms include expanding the ATO's power to access telecommunications data in order to protect public revenue against serious financial crime.</p>	2023

Measure	Details of discussion paper	Start date
Distribution guidelines for ancillary funds	<p>Consultation Paper released on 22 March 2022 that sets out a proposal to provide greater flexibility to ancillary funds²⁹ while preserving their philanthropic nature.</p>	TBA
Multinational Tax Integrity and Tax Transparency	<p>Consultation Paper released by Treasury on 5 August 2022 seeking comment on a package of measures designed to improve the transparency of multi-national enterprises around their tax affairs.</p> <p>The Consultation Paper makes the following proposed changes:</p> <ul style="list-style-type: none"> ● amend Australia’s existing thin capitalisation rules to limit interest deductions for MNEs in line with the OECD’s recommended approach under Action 4 of the BEPS program (Part 1); ● introduce a new rule limiting MNEs’ ability to claim tax deductions for payments relating to intangibles and royalties that lead to insufficient tax paid (Part 2); and ● ensure enhanced tax transparency by MNEs (Part 3), through measures such as public reporting of certain tax information on a country-by-country basis; mandatory reporting of material tax risks to shareholders; and requiring tenderers for Australian government contracts to disclose their country of tax domicile. 	TBA
Global agreement on corporate taxation	<p>Consultation Paper released on 4 October 2022 by Treasury on implementing the two-pillar solution to taxing multinationals developed by the OECD Inclusive Framework on BEPS.</p>	TBA

²⁹ By way of background, an ancillary fund is a trust set up and maintained solely for the purpose of providing money, property or benefits to DGRs. Although an ancillary fund is also a DGR, it does not undertake charitable work. Instead, it acts as an intermediary between donors and DGRs that do undertake such work.

Measure	Details of discussion paper	Start date
Tax treaty network expansion	<p>Consultation initiated by Treasury on 18 November 2022 seeking public comment and feedback on key outcomes to be sought in upcoming treaty negotiations and any other issues concerning Australia’s tax treaty network.³⁰</p> <p>For background, The Government is entering into new tax treaty negotiations as part of its expansion of Australia’s tax treaty network. Negotiations are planned with Bulgaria, Colombia, Croatia, Cyprus, Estonia, Latvia and Lithuania, as announced in the Assistant Minister’s media release. These countries add to the current program which includes Portugal, Slovenia, Greece and Luxembourg.</p>	TBA
Employment White Paper	<p>Consultation Paper released by Treasury on 29 September 2022 to explore issues, frameworks and policy approaches relevant to the future of Australia’s labour market over the medium and long term and will take into account a diverse range of perspectives from across Australia, including from representatives of civil society, unions, employers and governments.</p> <p>The Employment White Paper will build on the outcomes of the Jobs and Skills Summit and will have an overarching focus on the objectives of full employment and productivity growth for the benefit of all Australians, along with women’s economic participation and equality.</p> <p>Terms of Reference</p> <p>Jobs and Skills Summit Issues Paper</p>	TBA

³⁰ See related announcement on **page 48**.

Measure	Details of discussion paper	Start date
Multinational tax integrity: Public Beneficial Ownership Register	<p>Consultation Paper released by Treasury on 7 November 2022, seeking comments on the design features for the first phase of a publicly available beneficial ownership register.</p> <p>Under the proposed measure, specified unlisted entities regulated under the <i>Corporations Act 2001</i> would be required to maintain accurate, up-to-date and publicly accessible beneficial ownership registers. The relevant entities include proprietary companies, unlisted public companies, unlisted registered managed investment schemes, and unlisted corporate collective investment vehicles.</p>	TBA
Non-arm's length income	<p>Consultation Paper released on 24 January 2023, seeking comments on proposed changes to the NALI provision. Under the proposed measure The NALI provisions will be modified to:</p> <ul style="list-style-type: none"> ● limit the amount of fund income that is subject to the highest marginal rate, up to five times the level of the general expenditure breach, for SMSFs and small APRA-regulated funds; and ● exempt large APRA-regulated funds with respect to general expenses. 	1 July 2023 ³¹
Access to superannuation for victims of child sexual abuse	<p>Discussion Paper released on 19 January 2023, seeking comments on proposed changes that would allow victims and survivors of child sexual abuse to access the superannuation of their offender for unpaid compensation orders.</p> <p>The Discussion paper also seeks feedback on proposals that are aimed at improving transparency and reducing the costs of pursuing compensation by providing visibility of superannuation accounts to ascertain the value of the 'additional' contributions made by an offender.</p>	TBA

³¹ The former Government [announced](#) on 22 March 2022 that consultation with relevant industry stakeholders would be undertaken on the appropriate amendments to the NALI provisions to ensure they operated as intended. The proposed changes were originally announced to commence from 1 July 2022.

Announcements

Measure	Details of announcement	Start date
Removing the capital gains discount at the trust level for MITs and AMITs	<p>Announced on 8 May 2018 as part of the Federal Budget 2018–19.</p> <p>Proposes to prevent MITs and AMITs from applying the 50% capital gains discount at the trust level.</p>	Income years commencing on or after 3 months after the date the enabling legislation receives Royal Assent ³²
Corporate tax residency	<p>Announced on 6 October 2020 as part of the Federal Budget 2020–21.</p> <p>Adopted the key recommendation of the Board and will amend the law to provide that a company that is incorporated offshore will be treated as an Australian resident for tax purposes if it has a ‘significant economic connection to Australia’.</p>	First income year after the date the enabling legislation receives Royal Assent (with option to retrospectively apply new law from 15 March 2017)
Corporate tax residency – trusts and corporate limited partnerships	<p>Announced on 11 May 2021 as part of the Federal Budget 2021–22.</p> <p>Will consult on broadening the amendments to the corporate tax residency rules to include trusts and corporate limited partnerships which are subject to their own separate but similar residency tests.</p>	Part of consultation on corporate tax residency test amendments announced in Federal Budget 2020–21

³² The start date was deferred from 1 July 2019 to 1 July 2020, then the Government [announced](#) on 30 June 2020 that the start date is revised from 1 July 2020 to the income years commencing on or after three months after the date the enabling legislation receives Royal Assent.

Measure	Details of announcement	Start date
Individual tax residency rules	<p>Announced on 11 May 2021 as part of the Federal Budget 2021–22.</p> <p>Will replace the individual tax residency rules with a new, modernised framework comprising:</p> <ul style="list-style-type: none"> ● a primary test – under this simple ‘bright line’ test, a person who is physically present in Australia for 183 days or more in any income year will be an Australian tax resident; and ● a secondary test (i.e. a factor test) – for individuals who do not meet the primary test. A person will be an Australian tax resident if they satisfy any two of the four factors, including physical presence and measurable, objective criteria. 	First income year after the enabling legislation receives Royal Assent
SMSFs – relaxing residency requirements	<p>Announced on 11 May 2021 as part of the Federal Budget 2021–22.</p> <p>Will relax residency requirements for SMSFs and small APRA-regulated funds by:</p> <ul style="list-style-type: none"> ● extending the central control and management test safe harbour from 2 to 5 years for SMSFs; and ● removing the active member test for both fund types. <p>This measure will allow SMSF and small APRA-regulated fund members to continue to contribute to their superannuation fund while temporarily overseas.</p>	Start of the first financial year after the enabling legislation receives Royal Assent ³³

³³ As part of the Federal Budget 2022–23 on 25 October 2022, the Government [announced](#) that it would defer the start date of this measure from 1 July 2022 to the day the enabling legislation receives Royal Assent.

Measure	Details of announcement	Start date
Technical amendments to the TOFA hedging rules	<p>Announced on 11 May 2021 as part of the Federal Budget 2021–22.</p> <p>Makes technical amendments to the TOFA rules contained under Div 230 to the ITAA 1997, which will include facilitating access to hedging rules on a portfolio hedging basis. The amendments will also reduce compliance costs and correct unintended outcomes, so that taxpayers are not subject to unrealised taxation on foreign exchange gains and losses unless this is elected.</p>	<p>Income years commencing on or after the date the enabling legislation receives Royal Assent³⁴</p>
SMSFs – legacy retirement product conversions	<p>Announced on 11 May 2021 as part of the Federal Budget 2021–22.</p> <p>Will allow individuals to exit a specified range of legacy retirement products, together with any associated reserves, for a two-year period. This will enable the conversion of market-linked, life-expectancy and lifetime products into an account-based pension.</p>	<p>First financial year after the enabling legislation receives Royal Assent</p>
Expanding Australia’s tax treaty network	<p>Announced on 15 September 2021.</p> <p>The Government plans to enter into 10 new and updated tax treaties by 2023, building on Australia’s existing network of 45 bilateral tax treaties.</p> <p>The planned expansion of Australia’s tax treaty network will cover 80% of foreign investment in Australia and about \$6.3 trillion of Australia’s two-way trade and investment.</p> <p>Negotiations with India, Luxembourg and Iceland are occurring this year as part of the first phase of the program. Negotiations with Greece, Portugal and Slovenia are scheduled to occur in 2022 as part of the second phase.</p> <p>See page 44 for information about related consultation.</p>	<p>Various</p>

³⁴ As part of the Federal Budget 2022–23, the Government [announced](#) that it would defer the start date of this measure from 1 July 2022 to income years commencing on or after the day the enabling legislation receives Royal Assent.

Measure	Details of announcement	Start date
Transforming Australia's Payments System	<p>Announced on 8 December 2021.</p> <p>The former Treasurer, the Hon Josh Frydenberg, announced broad reforms to Australia's regulation of payment system, including regulatory frameworks to govern the licensing of digital currency exchanges and the conduct of business that hold digital currencies on behalf of other entities.</p> <p>The Board has been asked to advise the Government on an appropriate tax treatment of digital currency assets and transactions.³⁵ The Board's work will be based on recommendations made by the Senate's Select Committee on Australia as a Technology and Financial Centre in its Final Report published in October 2021.³⁶</p>	<p>The consultation process is expected to continue to the end of 2022</p>

³⁵ See related Board of Tax review on **page 57**.

³⁶ These recommendations include:

- ensuring that digital asset transactions only give rise to a CGT event where they genuinely result in a clearly definable capital gain or loss;
- providing a 10% company tax discount to businesses undertaking digital asset 'mining' and related activities in Australia if they source their own renewable energy for these activities; and
- establishing a 'Global Markets Incentive' to replace the Offshore Banking Unit (OBU) regime by the end of 2022. Such a regime may include a 15% tax on eligible activities that the Government wishes to incentivise. The OBU regime has been closed to new entrants from 14 September 2021, with concessional tax treatment removed from 2023–24.

Measure	Details of announcement	Start date
Expansion of patent box regime	<p>Announced on 29 March 2022 as part of the Federal Budget 2022–23.³⁷</p> <p>The Government announced it will expand the regime to cover the agricultural sector and low emissions technology innovations, the latter being foreshadowed as a possibility in last year’s Budget.</p> <p>In the case of agricultural patents, the regime will apply to corporate taxpayers that commercialise their eligible patents linked to certain listed agricultural and veterinary chemical products. It will apply to patents issued after 29 March 2022 for income years starting on or after 1 July 2023. The same dates will apply for patents related to those low emission technologies identified by the Government in 2020 and 2021 statements.</p>	1 July 2023
	<p>The Government also announced that it will now allow patents granted after 11 May 2021 in the medical and biotechnology sectors to also be eligible for the regime, and recognise patents granted under the US and European regimes as well as those granted by IP Australia.</p> <p>The Government proposes to consult with industry on the detailed design of the patent box expansion.</p>	1 July 2022

³⁷ The [Treasury Laws Amendment \(Tax Concession for Australian Medical Innovations\) Bill 2022](#), which contains the patent box provisions, lapsed on 11 April 2022 following the dissolution of Parliament due to the calling of the Federal Election 2022.

Measure	Details of announcement	Start date
Modernisation of PAYG instalment system	<p>Announced on 29 March 2022 as part of the Federal Budget 2022-23.</p> <p>The Government will allow companies to choose to have their PAYG instalments calculated based on current financial performance better aligning PAYG liabilities with business revenue.</p> <p>The calculation of the PAYG instalments will be extracted from business accounting software, with some tax adjustments.</p> <p>The Government will consult with affected stakeholders, tax practitioners and digital service providers to finalise the policy scope, design and specifications of the measure.</p> <p>Software providers are expected to have systems in place by 31 December 2023.</p>	1 January 2024
Smarter reporting of TPRS data	<p>Announced on 29 March 2022 as part of the Federal Budget 2022-23.</p> <p>The Government will enable businesses the option to report TPRS data through accounting software on the same lodgment cycle as their business activity statements.</p> <p>This will allow the TPAR to be lodged electronically on a monthly or quarterly basis instead of annually.</p> <p>The Government will consult with affected stakeholders, tax practitioners and digital service providers to finalise the policy scope, design and specifications of the measure.</p> <p>Software providers are expected to have systems in place by 31 December 2023.</p>	1 January 2024

Measure	Details of announcement	Start date
Extension of the ATO's Tax Avoidance Taskforce	<p>Announced on 29 March 2022 as part of the Federal Budget 2022-23.</p> <p>The Government will provide \$325.0 million in 2023-24 and \$327.6 million in 2024-25 to the ATO to extend the operation of the Tax Avoidance Taskforce by two years to 30 June 2025.³⁸</p>	2023-24 and 2024-25 financial years
Digitalising trust income reporting	<p>Announced on 29 March 2022 as part of the Federal Budget 2022-23.</p> <p>The Government will digitalise trust and beneficiary income reporting and processing, by allowing trust income tax returns to be lodged electronically.³⁹</p> <p>The Government will consult with affected stakeholders, tax practitioners and digital service providers to finalise the policy scope, design and specifications.</p>	1 July 2024
Enhanced sharing of STP data	<p>Announced on 29 March 2022 as part of the Federal Budget 2022-23.</p> <p>The Government will commit funds for the development of the IT infrastructure required to allow the ATO to share STP data with State and Territory Revenue Offices on an ongoing basis.</p>	To be confirmed

³⁸ Further, on 25 October 2022 as part of the [Federal Budget 2022-23](#), the Government boosted funding for the ATO Tax Avoidance Taskforce by around \$200 million per year over four years from 1 July 2022, in addition to extending this Taskforce for a further year from 1 July 2025.

³⁹ To date, trust income reporting and assessment calculation processes have not been automated to the same extent as individual or company tax returns. While tax agent lodgment systems have catered for trust tax returns, trustees have not been able to lodge tax returns themselves electronically. This has resulted in longer processing times and limited pre-filing opportunities.

Measure	Details of announcement	Start date
<p>Consultation on car parking fringe benefits</p>	<p>Announced on 29 March 2022.</p> <p>The former Minister for Housing and Assistant Treasurer, the Hon Michael Sukkar MP, announced that the Government will undertake a public consultation to identify appropriate modifications to the definition of ‘commercial parking station’ with a view to restoring the previously-understood interpretation, which better reflects the policy intention of the law.</p> <p>The announcement comes in response to recent court decisions⁴⁰, that have overturned the understanding that parking car parks charging penalty rates for all-day parking did not represent genuine alternatives for commuters and therefore did not trigger an FBT liability for employers.</p>	<p>Car parking fringe benefits provided from 1 April 2022</p>

⁴⁰ For example, [Commissioner of Taxation v Virgin Australia Regional Airlines Pty Ltd](#) [2021] FCAFC 209.

Measure	Details of announcement	Start date
<p>Amending Australia's interest limitation (thin capitalisation) rules</p>	<p>Announced on 25 October 2022 as part of the Federal Budget 2022–23.⁴¹</p> <p>The Government announced that it will amend the thin capitalisation rules to address risks to the corporate tax base arising from the use of excessive debt deductions.</p> <p>The measure includes changes that propose to:</p> <ul style="list-style-type: none"> ● replace the current safe harbour debt test in Div 820 of the ITAA 1997 with earnings-based tests that will limit debt deductions to 30% of profits; ● allow deductions denied under the entity-level EBITDA test to be carried forward and claimed in a subsequent income year (up to 15 years); ● replace the worldwide gearing test in Div 820 of the ITAA 1997 to allow an entity in a group to claim debt-related deductions up to the level of the worldwide group's net interest expense as a share of earnings; and ● retain an arm's length debt test as a substitute test which will apply only to an entity's external (third party) debt, disallowing deductions for related party debt under this test. <p>The changes will apply to multinational entities operating in Australia and any inward or outward investor, in line with the existing thin capitalisation regime. Financial entities will continue to be subject to the existing thin capitalisation rules.</p>	<p>Income years commencing on or after 1 July 2023</p>

⁴¹ This measure was also the subject of a [public consultation](#) undertaken by Treasury which commenced on 5 August 2022. See **page 42** for further information.

Measure	Details of announcement	Start date
<p>Denying deductions for payments relating to intangibles held in low- or no-tax jurisdictions</p>	<p>Announced on 25 October 2022 as part of the Federal Budget 2022–23.⁴²</p> <p>The Government announced that it will introduce an anti-avoidance rule to prevent tax deductions for payments made directly or indirectly to related parties in relation to intangibles held in low- or no-tax jurisdictions.</p> <p>This measure is proposed to apply only to significant global entities that is, entities with a global revenue of at least \$1 billion and to payments made on or after 1 July 2023.</p>	<p>1 July 2023</p>
<p>Improved tax transparency</p>	<p>Announced on 25 October 2022 as part of the Federal Budget 2022–23.⁴²</p> <p>The Government announced it will introduce reporting requirements for relevant companies to enhance the tax information disclosed to the public for income years commencing from 1 July 2023.</p> <p>The measure will require:</p> <ul style="list-style-type: none"> ● significant global entities to prepare certain tax information on a country by country basis and a statement on their approach to taxation for disclosure by the ATO; ● Australian public companies (listed and unlisted) to disclose information on the number of subsidiaries and their country of tax domicile; and ● tenderers for Australian Government contracts worth more than \$200,000 to disclose their country of tax domicile by supplying their ultimate head entity’s country of tax residency. 	<p>1 July 2023</p>

⁴² This measure was also the subject of a [public consultation](#) undertaken by Treasury which commenced on 5 August 2022. See **page 42** for further information.

Measure	Details of announcement	Start date
Reform of the federal administrative review system	<p>Announced on 16 December 2022</p> <p>The Government announced that the AAT will be abolished and replaced with a new federal administrative review body. The AAT will continue operating until the new federal administrative review body is established. Once the new body is established, any remaining cases will transition to the new body.</p>	TBA

Reviews

Board of Taxation reviews

Review	Details of Board of Taxation review	Status of review
Review of CGT roll-overs	<p>On 12 December 2019, the Minister for Housing and Assistant Treasurer, Michael Sukkar, announced that the Board would undertake a review of the CGT roll-over rules.</p> <p>In February 2020, the Board released a Consultation Guide.⁴³</p> <p>The Board had been asked to report to Government by 30 November 2020. However, the initial consultation period was extended in response to the COVID-19 pandemic.</p> <p>The Board released a second Consultation Paper for stakeholder review in December 2020.⁴⁴</p> <p>The Board provided interim written advice to the Government on 25 March 2021 and will submit a final report by 22 April 2022.</p> <p>Terms of Reference</p>	<p>Current</p> <p>Final Report to be delivered to the Government by 22 April 2022</p>

⁴³ The Tax Institute made a [submission](#) in response to this consultation paper on 7 July 2020.

⁴⁴ The Tax Institute made a [submission](#) in response to this consultation paper on 12 February 2021.

Review	Details of Board of Taxation review	Status of review
Review of the Tax Treatment of Digital Assets and Transactions in Australia	<p>On 8 December 2021, the former Treasurer, the Hon Josh Frydenberg, announced as part of a broader response to a review on Australia’s payments system and the regulation of digital assets, that the Government would task the Board with undertaking a review into the appropriate policy framework for the taxation of digital transactions and assets in Australia.</p> <p>On 21 March 2022, the Government released the Terms of Reference for a review to be undertaken by the Board into the appropriate policy framework for the taxation of digital assets and transactions in Australia.</p> <p>In August 2022, the Board published a Consultation Guide which provides an overview of crypto assets and the current taxation treatment within Australia. The guide outlines recent relevant government reports and announcements and poses a series of questions for interested parties to consider when formulating input to the review.</p> <p>Terms of Reference</p> <p>Consultation Guide⁴⁵</p>	<p>Current</p> <p>Final Report to be delivered to the Government by the end of 2022</p>

Inspector-General of Taxation and Taxation Ombudsman reviews

Review	Details of IGTO review	Status of review
ATO’s administration and management of objections	<p>Title of review: <i>The ATO’s Administration and Management of Objections</i></p> <p>Phase 1 of this IGTO investigation will focus mainly on the timeliness in issuing objection decisions, the independence of objection decision makers and the objection decision making process, as well as the interaction between objections processes and other initiatives in minimising or narrowing disputes.</p>	<p>Current</p> <p>Interim Report released on 10 October 2022</p> <p>Final Report to be delivered</p>

⁴⁵ The Tax Institute lodged a [joint submission](#) alongside other professional bodies in response to the Board’s review.

Review	Details of IGTO review	Status of review
(continued...)	<p>Phase 2 of the review will concerns raised during Phase 1 of the review and seek to identify improvements to objection processes for the benefit of taxpayers and tax practitioners.</p> <p>Terms of Reference</p> <p>Interim Report</p> <p>TTI Submission</p>	
<p>ATO’s exercise of its general powers of administration</p>	<p>Title of review: <i>The Exercise of the General Powers of Administration</i></p> <p>This IGTO investigation seeks to evaluate the ATO’s use of its general powers of administration granted by tax laws.</p> <p>The IGTO’s review will draw from case studies in its complaints investigation service as well as stakeholder submissions to identify and investigate particular areas raised as examples of exercise of the ATO’s general power of administration that should be investigated.</p> <p>In particular, the IGTO is interested in understanding how broad-based decisions (i.e. those affecting large groups of taxpayers) are identified and determined. As there are limited avenues for taxpayers and tax practitioners to challenge the exercise of the ATO’s general powers of authority, it is important to ensure that processes and procedures underpinning these decisions are robust and effective.</p> <p>Terms of Reference</p> <p>TTI Submission</p>	<p>Current</p> <p>Final Report to be delivered</p>

Review	Details of IGTO review	Status of review
<p>Exercise of the Commissioner’s remedial power</p>	<p>Title of review: <i>The Exercise of the Commissioner’s Remedial Power</i></p> <p>This IGTO investigation aims to assess how issues are raised for the use of the Commissioner’s remedial power and whether the processes underlying consideration of these matters are sufficiently robust to take into account consideration of relevant factors and expert stakeholder views.</p> <p>This IGTO investigation was prompted by an apparent lack of clarity in these processes. This is important as decisions of the Commissioner in relation to its remedial power are not subject to external merits or judicial review.</p> <p>Terms of Reference</p> <p>TTI Submission</p>	<p>Current</p> <p>Final Report to be delivered</p>
<p>Deceased estates</p>	<p>Title of review: Death and Taxes – An Investigation into the ATO’s Systems and Processes for dealing with Deceased Estates</p> <p>The purpose of this review is to investigate and evaluate how the ATO deals with deceased estates, their beneficiaries and advisers.</p> <p>Implementation Update (2022)</p> <p>ATO Response</p> <p>Final Report</p> <p>Terms of Reference</p>	<p>Completed</p> <p>Final Report published in July 2020</p> <p>Implementation Update published in December 2022</p>

Australian National Audit Office performance audits

Audit	Details of ANAO performance audit	Status
ATO's engagement with tax agents	<p>Audit conducted by the ANAO to assess the effectiveness of the ATO's engagement with tax agents in achieving efficient and effective tax and superannuation systems.</p> <p>The ANAO will examine the following questions:</p> <ul style="list-style-type: none"> ● Did the ATO have an effective strategy for engaging with tax agents? ● Did the ATO provide effective services and support for tax agents? <p>Final Report</p>	Completed Final Report published on 15 August 2022

Other government reviews

Review	Details of government review	Status
Venture Capital Tax Concessions Program	<p>Review of the venture capital tax concessions program to ensure the current measures supports genuine early-stage start-ups and achieves key policy objectives in the venture capital sector.</p> <p>Terms of Reference</p> <p>Consultation Paper</p> <p>Final Report</p>	Current Announced on 7 July 2021 Final Report published on 27 October 2022
Review of the Taxpayers' Charter	<p>Review of the Taxpayers' Charter undertaken by the ATO to ensure that it:</p> <ul style="list-style-type: none"> ● meets community expectations about how the ATO engages with taxpayers in its administration of the tax, super and registry systems ● accurately reflects what clients can expect from dealings with the ATO ● assists staff in their interactions with clients ● fulfils its purpose of advising the public of their rights when dealing with the ATO. 	Completed Updates to the Charter to be made based on feedback received

Parliamentary Committee reviews

Review	Details of Parliamentary Committee review	Status
Select Committee on the Cost of Living	<p>On 28 September 2022 the Senate established a select committee, to be known as the Select Committee on the Cost of Living, to inquire into and report on:</p> <ul style="list-style-type: none"> ● the cost of living pressures facing Australians; ● the Government’s fiscal policy response to the cost of living; ● ways to ease cost of living pressures through the tax and transfer system; ● measures to ease the cost of living through the provision of Government services; and ● any other related matter. <p>Terms of Reference</p>	<p>Current</p> <p>Final Report due on 30 November 2023</p>

ATO guidance and information

Key ATO legislative guidance

The following table sets out notable final, draft and proposed ATO guidance on the operation of some recent legislative amendments and key legislative provisions. The ATO’s [advice under development](#) webpage contains further information.

Final guidance

Measure	Details of final ATO guidance
Superannuation funds: NALI	<p>Final Law Companion Ruling LCR 2021/2 sets out the Commissioner’s view of amendments in Schedule 2 to the Treasury Laws Amendment (2018 Superannuation Measures No. 1) Act 2019, concerning the application of the NALI provisions where a trustee incurs ‘non-arm’s length expenditure’ under a scheme.</p> <p>Date of effect of legislative amendments: 1 July 2022⁴⁶</p>

⁴⁶ On 10 June 2022, the ATO [announced](#) that it would continue applying the transitional treatment of non-arm’s length expenses outlined in [PCG 2020/5](#) for an additional year to 30 June 2023.

Measure	Details of final ATO guidance
<p>Section 100A reimbursement agreements</p>	<p>Taxation Ruling TR 2022/4 sets out the Commissioner’s views on the exclusions from a ‘reimbursement agreement’ for:</p> <ul style="list-style-type: none"> ● agreements not entered into with a purpose of eliminating or reducing someone’s income tax; and ● agreements entered into in the course of ordinary family or commercial dealings. <p>This was also accompanied by Practical Compliance Guideline PCG 2022/2 that sets out the Commissioner’s compliance approach in relation to s 100A reimbursement agreements, including transitional arrangements.</p> <p>The Commissioner’s compliance approach applies to present entitlements conferred both before and after the Guideline was finalised. However, for present entitlements conferred before 1 July 2022, the Commissioner has indicated that it will stand by any administrative position reflected in web guidance published in July 2014, to the extent that it is more favourable to a taxpayer’s circumstances than the PCG.⁴⁷</p>
<p>UPEs of private company beneficiaries</p>	<p>Taxation Determination TD 2022/11 sets out the Commissioner's view on when the UPE of a private company beneficiary will be treated as a loan for which there can be dividend consequences under Division 7A, as that beneficiary has provided ‘any other form of financial accommodation’ to the trustee.</p> <p>The Determination comes as a result of the product of a review of existing guidance in Taxation Ruling TR 2010/3 <i>Income tax: Division 7A loans: trust entitlements</i> and Law Administration Practice Statement PS LA 2010/4 <i>Division 7A: trust entitlements</i>. These ATO products were withdrawn when TD 2022/11 was finalised.</p> <p>To the extent that any view in this Determination is different to that existing guidance, the view in the Determination will be prospective and will apply to present entitlements created on or after 1 July 2022. The existing guidance continues to apply to current arrangements.</p> <p>TTI Submission</p>

⁴⁷ Refer to the [article](#) by TPA for a detailed overview of the changes in the finalised ATO guidance.

Measure	Details of final ATO guidance
Personal services income – meaning of personal services business	<p>Taxation Ruling TR 2022/3 provides the Commissioner’s view on the application of the PSI rules contained in Part 2-42 of the ITAA 1997. It considers:</p> <ul style="list-style-type: none"> ● when the PSI rules apply; ● how the PSI rules apply to an individual or entity; and ● the application of the personal services business tests. <p>TR 2022/3 consolidates Taxation Rulings TR 2001/7 <i>Income tax: the meaning of personal services income</i> and TR 2001/8 <i>Income tax: what is a personal services business</i>, which were both withdrawn with effect from 24 November 2022.</p>
Identifying where a company’s central management and control is located	<p>Practical Compliance Guideline PCG 2018/9 was updated on 22 December 2022 to extend and provides confirmation of the end of the 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.</p> <p>Paragraph 104AA states that the transitional period to allow impacted companies to change their governance arrangements has been extended to 30 June 2023.</p>
Non-commercial business losses – Commissioner's discretion	<p>Practical Compliance Guideline PCG 2022/1 sets out the Commissioner's view on how the discretion in paragraph 35-55(1)(a) of the ITAA 1997 may provide a safe harbour for individuals that make a loss from non-commercial business activities due to flood, bushfire or COVID-19.</p>
Commercial debt forgiveness – for reasons of natural love and affection	<p>Taxation Determination TD 2022/1 sets out the Commissioner's view on whether an entity, that is not a natural person, can forgive a debt for reasons of natural love and affection.</p>
Employee share schemes – what constitutes a 'genuine disposal restriction'	<p>Taxation Determination TD 2022/4 outlines the legal principles for determining whether an ESS’s disposal restrictions were ‘genuine disposal restrictions’ and, if they were, when employees are no longer ‘genuinely restricted’ by the scheme for determining the ESS deferred taxing point.</p>
Trust capital gains for non-resident beneficiary or trustee	<p>Taxation Determination TD 2022/12 sets out the Commissioner's view on the taxation treatment of capital gains for a non-resident beneficiary or trustee of a resident trust.</p>

Measure	Details of final ATO guidance
Capital gain from a non-resident beneficiary of a non-fixed trust	Taxation Determination TD 2022/13 sets out the Commissioner's view on the taxation treatment of capital gains from non-taxable Australian property assets of a non-fixed trust.
The first element of cost base and other deductible expenditure	Taxation Determination TD 2022/14 the Commissioner's view on the treatment of liabilities assumed upon acquisition of a CGT asset and whether, on discharge of these liabilities, subsection 110-45(2) of the ITAA 1997 will apply such that they do not form part of the cost base.

Draft guidance

Measure	Details of draft ATO guidance
Limiting deductions for expenses for holding vacant land	<p>Draft Taxation Ruling TR 2021/D5 provides preliminary guidance in relation to the application of s 26-102 of the ITAA 1997, which was inserted by Schedule 3 to the Treasury Laws Amendment (2019 Tax Integrity and Other Measures No. 1) Act 2019.</p> <p>Date of effect of legislative amendments: 1 July 2019</p> <p>Expected completion: February 2023</p>
Residency tests for individuals	<p>Draft Taxation Ruling TR 2022/D2 provides the Commissioner's proposed guidance to individuals to enable them to self-assess their residency status.</p> <p>Expected completion: To be advised</p>
Use of an individual's image	<p>Draft Taxation Determination TD 2022/D3 sets out the Commissioner's proposed view on how s 6-5 of the ITAA 1997 applies to arrangements where an individual with fame establishes a connected entity and enters into an agreement with that entity granting it non-exclusive use of their name, image, likeness, identity, reputation and signature.</p> <p>This draft Determination will update the view previously expressed in draft Practical Compliance Guideline PCG 2017/D11, which was withdrawn on 24 August 2018.</p> <p>Expected completion: To be advised</p> <p>(See also Treasury Consultation paper released on 13 December 2018 in relation to the proposed legislative amendment on page 41)</p>

Measure	Details of draft ATO guidance
Working from home deductions	<p>Draft Practical Compliance Guideline PCG 2022/D4 outlines the Commissioner's views on:</p> <ul style="list-style-type: none"> • acceptable methods for claiming working from home expenses from 1 July 2022; namely the actual cost method or the revised fixed rate method (at the rate of 67 cents per hour); and • how compliance resources will be applied in such cases. <p>Expected completion: To be advised</p>
Meaning of employee for PAYG withholding purposes	<p>Draft Taxation Ruling TR 2022/D3 replaces TR 2005/16W <i>Income tax: Pay As You Go – withholding from payments to employees</i>. It explains the Commissioner's approach in applying the High Court decisions in Construction, Forestry, Maritime, Mining and Energy Union v Personnel Contracting Pty Ltd [2022] HCA 1 and ZG Operations Australia Pty Ltd v Jamsek [2022] HCA 2 to the definition of 'employee' for the purposes of section 12-35 of Schedule 1 to the TAA.</p> <p>It also aids in understanding the ordinary meaning of an 'employee' for the purposes of subsection 12(1) of the SISA, but it is not legally binding on the Commissioner for this purpose.</p> <p>This Ruling should be read in conjunction with Draft Practical Compliance Guideline PCG 2022/D5 <i>Classifying workers as employees or independent contractors – ATO compliance approach</i>.</p>

Useful ATO links

The following table sets out some useful links to ATO webpages which contain resources and useful information on the status of ATO guidance.

Resource	Details of useful ATO links
Advice under development program	<p>The ATO develops public advice and guidance to assist taxpayers to understand their obligations and be aware of their rights and entitlements.</p> <p>Key matters on which the ATO is currently considering providing advice and guidance are grouped by topic. This content is updated regularly.</p>
Forms and instructions	<p>A range of forms and instructions to assist with tax time.</p>

Resource	Details of useful ATO links
Key super rates and thresholds	Key super rates and thresholds sets out a range of useful rates and thresholds that apply to contributions and benefits, employment termination payments, superannuation guarantee and co-contributions.
Matters under consultation	Key matters on which the ATO is currently consulting are grouped by segment of the market. This content is updated regularly.
Media Centre	The ATO's Media Centre contains media releases, speeches, articles, videos and other useful content.
Occupation and industry specific guides	A range of guides for specific industries and occupations to help taxpayers to correctly report their income and allowances, and claim deductions for the work-related expenses they are entitled to.
Small business newsroom	The Small business newsroom contains a suite of resources for small businesses to keep up to date with the latest news, keep track of key dates and access quick links to other resources.
Tax professionals newsroom	The Tax professionals newsroom allows tax professionals to keep up to date with the latest news.
Tax Time 2022	A suite of resources including an overview of key changes, how to prepare for tax time and key tax time messages from the Tax Practitioners Stewardship Group. Downloadable PDF publications are available from the ATO Publication Ordering Service .
Tax Time Toolkit	A suite of downloadable PDF publications is available here .

Further guidance and information

Further guidance and information is available from the [ATO website](#).

If you have any specific concerns that have not been outlined above, please email taxpolicy@taxinstitute.com.au.

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