

## Office News

Our office hours are from 9.00am to 5.00pm Monday to Friday however appointments outside these times may be available if arranged with notice.

- \* **We will be closed from midday Friday 20<sup>th</sup> December 2019**
- \* **Re-open Wednesday 8<sup>th</sup> January 2020**
- \* **Phone 0419 726 099 during this period for urgent matters.**

*Wishing you all a safe & happy  
Christmas & New Year*

## Christmas Parties & other Entertainment

In business you will, from time to time, provide 'entertainment' to employees &/or clients.

Entertainment can include:

- Christmas parties
- Business lunches with clients
- Golf days
- Farewell & other dinners

Unfortunately, all these have Fringe Benefits Tax (FBT), GST & Income Tax consequences:

Employees & their associates:

- FBT – no FBT if less than \$300/head (incl. Associates)
- GST – no GST claimable
- Income Tax – no deduction

Clients/Customers/Suppliers:

- FBT – no FBT
- GST – no GST claimable
- Income Tax – no deduction

## ATO Tip-offs

The ATO received 15,000 tip-offs in the first quarter this financial year. That equates to 230 tip-offs per day.

The top categories have been:

- Income not declared
- Demanding cash from customers
- Paying workers 'cash in hand'
- Not reporting sales
- A person's lifestyle does not appear to match their income level

## Refund of Luxury Car Tax

### Primary Producers & Tourism Operators

Primary Producers & Tourism Operators can claim a refund of Luxury Car Tax (LCT) paid on one eligible vehicle per financial year.

Up to 30 June 2019, a refund of 8/33 of the LCT can be claimed up to a maximum of \$3,000.

From 1 January 2020, a refund of up to \$10,000 can be claimed on vehicles delivered on or after 1 July 2019.

## Property 'flipping'

The ATO are paying close attention to properties that are renovated for profit.

The rise of purchasing a 'renovator' after watching home improvement shows is on the rise.

Please be aware that purchasing a property with the distinct purpose of renovating & selling for a profit can be taxable **even if purchased as your home!**

Refer to ATO website [here](#).

There can be income tax & GST consequences.

A recent case involved a person who purchased, extensively renovated, developed & subdivided properties in Melbourne over a 6 year period. The person made a profit of \$4.4mil over this period & evaded \$1.7mil in GST alone.

Although you would not be in their league on profit, the threshold for GST is only \$75,000. It is a stark reminder of the very grey area between a tax-free & taxable property renovation.

## Employee Super for December Quarter

Superannuation for employees for the quarter to 31<sup>st</sup> December is **due & payable by 28<sup>th</sup> January 2020**.

**THERE ARE NO EXTENSIONS OF TIME TO LODGE AVAILABLE!**

If you are using the services of a Clearing House you should lodge the contribution return at least 3 days before the due date to ensure all contributions are processed in time.

## ATO Scams

In the month of July 2019 only, scams reported were:

- 6,179 online scams;
- 6,645 phone scams;
- 465 phishing scam emails

520 taxpayers provided scammers with their personal information (date of birth, drivers' licence number, tax file number, tax notice of assessment details).

\$197,057 reported as being paid to scammers with:

- Average of \$5,740 per payment in Google Play;
- Average of \$3,160 per payment in iTunes;
- People aged 25 to 34 paid the highest amount to scammers, mostly by Google Play & iTunes

Report ATO scams online (refer [here](#)) or by phone on 1800 008 540.

**ASK!!!** If you have any questions regarding any article please contact us first!! All articles are general information only. You should seek professional advice to your own situation before acting on this information.