

Newsletter – Issue 27, August 2019

Single Touch Payroll “STP” Concessions

Concessions for employers with under 19 employees to commence Single Touch Payroll reporting from 1 July 2019 are:

MICRO EMPLOYEES = employers with 1-4 employees can choose to report through their registered Tax or BAS Agent on a quarterly basis until 30 June 2021. Your registered agent must apply for the concession on your behalf **by 30 September 2019** and will need to lodge the Single Touch Payroll (STP) report on your behalf through an STP-enabled solution.

CLOSLEY HELD EMPLOYEES = employees who are directly related to the employer. (e.g. family member of the business, Director, Shareholder or Beneficiaries of a Trust). Payments made to closely held payees, will be exempt from STP until **1 July 2020**. Payments to arm’s length employees will need to be reported using STP. The ATO needs to be notified of closely held payees. For 2019-20, employers using this concession will report by continuing to issue payment summaries at year end to closely held employees. **From 1 July 2020**, employers making payments to closely held employees will have the option of reporting these payments quarterly with the employer expected to make a reasonable estimate of year-to-date amounts up to and including the last pay day of the relevant quarter.

Cash Payments not Deductible

‘Cash in hand’ payments made to workers **from 1 July 2019** will **not** be tax deductible.

‘Cash in hand’ refers to cash payments to:

- Employees that do not comply with the pay as you go (‘PAYG’) withholding obligations.
- Contractors where the contractor has not provided an ABN and the business has not withhold any tax.

In addition to the loss of a tax deduction, employers caught not complying with their PAYG withholding obligations may be penalised for failing to withhold and report amounts under the PAYG withholding system.

Employers who mistakenly classify their employee as a contractor will not lose their deduction where their worker provides an ABN.

Rental Property Ice Warning

Recently a pre-sale building report on a rental property incurred \$50,000 in costs to decontaminate it from the effects of the tenant’s methamphetamine “ice” use. Unlike cigarette smoke “ice” has no smell. We suggest landlords check their rental agreements and insurance policies to cover for this possible occurrence.

Disclaimer: This is not advice. Clients should not act solely on the basis of the material contained in this Newsletter. Items herein are general comments only and do not constitute or convey advice per se. Also changes in legislation may occur quickly. We therefore recommend that our formal advice be sought before acting in any of the areas. The Newsletter is issued as a helpful guide to clients and for their private information. Therefore, it should be regarded as confidential and not be made available to any person without our prior approval.

Immediate Write-Off

Dates First Used, or Installed Ready for Use	Instant Asset Write-Off Threshold	Eligible Taxpayers
From 7.30pm (AEST) on 12 May 2015 to 28 January 2019	\$20,000	Small business entities (originally aggregated turnover less than \$2 million but this was increased to less than \$10 million from 1 July 2016)
From 29 January 2019 until 7.30pm (AEST) on 2 April 2019	\$25,000	Small business entities (aggregated turnover less than \$10)
From 7.30pm (AEST) on 2 April 2019 to 30 June 2020	\$30,000	All business with an aggregated turnover less than \$50 million
From 1 July 2020	\$1,000	Small business entities (aggregated turnover less than \$10 million)

Taxable Payments Reporting Rules “TPAR”

Contractor payments made during the 2019 income year need to be reported to the Tax Office **by 28 August 2019** for:

- Building and construction services
- Cleaning services
- Courier services (except road freight).

If you are in the above industries and have not paid any contractors a “**Taxable Payments Annual Report – Not Required to Lodge**” online form needs to be lodged. We can lodge this for you or you can complete the online form at the following link: <https://www.ato.gov.au/TPARnilreport/>

TPAR reporting will be **extended from 1 July 2019** to include:

- Road freight services
- IT services
- Security, investigation and surveillance services.

Social Media

You can now keep up to date with regular business, tax and office updates by following our business Facebook and LinkedIn profiles.

The links are:

- <https://www.facebook.com/McNamaraAccountants/>
- <https://www.linkedin.com/company/mcnamara-accountants/>