

## **AUGUST 2017 TAX UPDATE**

### **ANNOUNCEMENTS**

- Top 1,000 Tax Performance Program - large corporates
- Common errors on tax returns
- Mutuality and taxable income – ATO guide
- SMSF related-party LRBA: ATO interest rate for 2017-18 (5.8% - up from 5.65%)
- Tax and BAS agents lodgement programs for 2017-18
- Selling real estate over \$750k after 1 July: tax clearance certificate released (and 12.5% WHT rate)
- Ride-sourcing businesses: tax and GST obligations
- UPE unitisation arrangements – possible Div. 7A avoidance
- SME: tax debt payment plans (up to \$100,000)
- Super reforms: ATO checklist for pre-30 June 2017 changes
- Tax rate cut for small companies not for passive investment companies: Minister
- ATO investigating unexpected tax refunds
- Concerns about work-related expense claims
- GST and residential care – updated ATO guide
- Deductible Gift Recipient reform – discussion paper comment date extended

### **RULINGS**

- Effective life of depreciating assets from 1 July 2017 - Taxation Ruling TR 2017/2
- Capital expenditure: construction of income producing capital works - Addendum to TR 97/25
- Deductibility of employee travel expenses - Draft Taxation Ruling TR 2017/D6
- Div 7A: interposed entity payments/loans and ordinary commercial transactions - Draft Taxation Determination TD 2017/D3
- Div 7A: UPEs - sub-trust arrangements maturing in 2016-17 or 2017-18 - Practical Compliance Guideline PCG 2017/13
- Personal liability of LPR if estate assets distributed with notice of ATO claim - Draft Practical Compliance Guideline PCG 2017/D12
- Tax losses and the business continuity test –proposed new “similar business” test - Draft LCG 2017/D6
- Payments for use of sportsperson’s name, image or likeness: safe harbour - Draft Practical Compliance Guideline PCG 2017/D11
- Div 7A benchmark interest rate for 2017-18 - Taxation Determination TD 2017/17 (5.3% - down from 5.4%)
- Car depreciation limit for 2017-18 - Taxation Determination TD 2017/18 (57,581)
- Reasonable travel and overtime meal allowance amounts for 2017-18 - Taxation Determination TD 2017/19
- Foreign resident capital gains withholding regime: LCGs updated for rate and value changes

## LEGISLATION

- GST on low value imported goods delayed to 1 July 2018 - Bill passed, awaits Assent
- GST Integrity Bill; Royal Assent
- SME instant asset write-off; Royal Assent
- Foreign resident CGT; Royal Assent
- First home super saver (draft)
- Extra super for downsizers (draft)
- Rental property - travel and depreciation expenses (draft)

## CASES

- Arrangement to avoid PAYG deductions - sham - taxpayers' appeals dismissed - Sunraysia Harvesting Contractors Pty Ltd (Trustee) & Ors v FCT
- Undisclosed cash deposits and rental income – taxpayer loses appeal - Gu and FCT [2017] AATA 906
- Hutt River Province “straw man” liable for \$3m tax debts - DCT v Casley & Anor
- Accountant- 8 years' imprisonment for fraudulent tax refunds of \$2m
- Binetter / Bai (Assessments out of time for “fraud or evasion”) – No Special leave to High Court
- Default assessments confirmed for undisclosed income of property business - Peter Sleiman Investments Pty Ltd as Trustee for The Sleiman Family Trust v FCT [2017] AATA 999
- Former director liable for company's unpaid tax liabilities - DCT v Smith (PAYG)
- Denial of input tax credits upheld, property developer loses appeal - GH1 Pty Ltd, in Liquidation and FCT [2017] AATA 1100