

## **MARCH 2018 TAX UPDATE**

### **ANNOUNCEMENTS**

- Reporting cash payments: more business visits soon
- Innovation report recommends R&D tax changes
- 2017 Tax Expenditures Statement
- APRA announces its policy priorities for 2018
- Corporate tax avoidance: ATO to review \$78bn in thin cap revaluations
- ATO statement on large company tax compliance - program "as good as anywhere"
- Tax treatment of bare trusts: Board of Taxation makes 8 recommendations
- Govt response to committee inquiry into tax deductibility - WRE and company deductions
- Brave new world - ATO e-Audits
- Trust vesting - ATO admin approach - consultation deadline extended
- focus on work-related expenses this year
- CPI: December quarter 2017 indexation factor for FBT purposes
- GIC and SIC rates for 4th quarter of 2017-18
- Superannuation rates and thresholds for 2018-19
- key problem areas for SMSF auditors
- SMSF auditor disqualified by ASIC for auditing own fund
- Super assets total \$2.6 trillion at December 2017; \$721bn in SMSFs

### **RULINGS**

- Shares acquired on limited risk basis around ex-dividend dates: ATO concerns re imputation benefits - Taxpayer Alert TA 2018/1
- Record-keeping requirements: electronic records - Taxation Ruling TR 2018/2

### **LEGISLATION**

- Draft Legislation:
  - CGT small business concessions: restricted to assets used in business
  - Reversionary super TRIS to automatically transfer upon death
  - ATO admin of early release of super benefits
- Bills Introduced:
  - Venture capital tax concessions and FinTech: Treasury Bill (No 2) 2018
  - Black economy measures
- Bills Passed:
  - GST on new residential premises - Bill passes Reps
  - CGT changes for foreign residents; extra CGT discount: Bill passes Reps
- Other legislation update: company tax cuts, etc
- Reporting superannuation member account info - Draft instrument released

## CASES

- Expenditure on gaming machine entitlements deductible – taxpayer wins appeal - Sharpcan Pty Ltd and FCT [2017] AATA 2948
- Commonwealth grant to establish windfarm assessable income - Denmark Community Windfarm Ltd v FCT
- High Court rules against recovery of forfeited property - Commissioner of the Australian Federal Police v Hart; Commonwealth of Australia v Yak 3 Investments Pty Ltd; Commonwealth of Australia v Flying Fighters Pty Ltd
- DFAT employee’s overseas earnings exempt - Coventry and FCT [2018] AATA 175
- Court finds PAYG amounts “withheld” from salary or wages - Cassaniti v FCT
- DPO against bankrupt taxpayer set aside - Walsh and FCT [2018] AATA 235
- Receipts from controlled companies were assessable income, not loans – taxpayer loses appeal - Rowntree v FCT
- Damages of \$2.9m awarded against financial planner for tax advice “outside her area of expertise” - Lockyer v Bermingham [No 3]
- Tax agent’s registration terminated - Peterson and Tax Practitioners Board [2018] AATA 93
- Additional super guarantee contributions required - AWU v BlueScope Steel (AIS) Pty Ltd
- SMSF trustee replaced by Court in death benefit dispute - Ainsworth v Davern
- Appeals update: Aussiegolfa Pty Ltd (SMSF); Douth (CGT small business concessions); Tamarama Fresh Juices Australia Pty Ltd (subpoena re documents); Placer Dome Inc (WA stamp duty) Appeals update: Hacon Pty Ltd (private ruling on Pt IVA)