



## Financial Navigator



Newsletter April 2018

## In this Issue



It's been a while since the last newsletter but there are a few current developments in the Tax and Accounting world that might affect you.

### April 2018 Newsletter



### Budget 2018

8 May 2018 is Federal Budget Day.

What can we expect come Budget Day next month on 8 May?

We know a few things already suggesting a generous Budget is on the cards.



### Single Touch Payroll



Single Touch Payroll – what is it and are you ready?

Sole Trader ABNs being cancelled by ATO for a variety of reasons.

### ABNs cancelled by ATO

## First Newsletter in 2018

### It's Been a While

It's been a while since the last issue of the Newsletter. The Australian Tax Office has a few things up its sleeve to make all our lives that much more exciting. There are good reasons for some of the changes and a lot is to make online interactions safer, but it does require some changes that you need to be aware of, so you aren't caught off-guard. Single Touch Payroll is the biggest of these changes and is discussed later in this newsletter.

Speaking of online security, most of you would already have received an email inviting you to access a document via the new Antree Virtual Cabinet portal. This is a new security measure taken to protect the sensitive information often shared between Antree and clients, previously by direct email. Once signed up you can also upload documents to share with Antree. Another very handy feature of this new information-sharing platform is the ability to digitally sign declarations saving you the hassle of printing out, signing and scanning documents to send back. We plan on using this platform more in the future to build an online database of useful information for clients. For example, once an assessment notice is shared it is permanently there for a client to access in the future. That way you can sign on from anywhere and access the document as it is securely stored for you in the Cloud.

There have been a few teething problems with Virtual Cabinet so let's address those now. Some clients have reported that the initial email is going to Spam. You will need to check Spam folder and if need be then Whitelist the sender *'notifications@virtualcabinetportal.com'* so future emails arrive in your inbox instead. A second issue is quite ironic in that some Firewalls block access to the Virtual Cabinet portal. We are trying to make a process safer, but the Firewall perceives it as a threat to security. If you are experiencing Firewall issues, then contact Antree and we can make a plan to overcome this.

## Federal Budget 2018



8 May 2018 is Federal Budget Day.

Bad polling for the Coalition Govt and a looming election is putting pressure on the Turnbull Govt to win us over and reverse the slide with some goodies in a generous Budget come 8 May.

What we know and expect so far from Press releases to date:

- No more Medicare Levy hike – Scott Morrison has confirmed that the extra 0.5% increase from next year is no longer needed. That's good news for all individual taxpayers and will mean an annual saving of \$500 if your taxable income is \$100k per annum.
- Big infrastructure spends for all states and territories.  
<http://www.news.com.au/finance/economy/australian-economy/multibillion-dollar-mega-infrastructure-projects-that-could-get-nod-in-budget/news-story/2dd11e67b4521be4e09bc56c65d009c7>
- Personal income tax cuts are expected to deliver medium income tax relief
- The Govt is still keen to give tax cuts to large companies.

The next issue of the Newsletter will be after the Federal Budget on 8 May when we know the specifics of what is announced by the Treasurer.

## Single Touch Payroll



Single Touch Payroll is a reporting change for employers.

It starts from 1 July 2018 for employers with **20 or more employees**.

You will report payments such as salaries and wages, pay as you go (PAYG) withholding and superannuation information from your payroll solution each time you pay your employees.

Single Touch Payroll will be expanded to include employers with **19 or less employees** from 1 July 2019. This is subject to legislation being passed in parliament.

Count the employees on your payroll as of 1 April to see if you need to get ready for Single Touch Payroll.

Obviously reporting to the ATO every time you pay your employees is a big change from currently only reporting this information once annually on a PAYG Group Certificate. This will be done via your accounting software and software providers have been working to release updated versions of the software to incorporate these changes.

This will provide ATO with real-time wages, PAYG and superannuation data by employer and employee. This will not only reduce the lodging of fraudulent tax returns which is rife but will also give the ATO much more insight into the pay routines of employers. This will enable them to act early on non-compliance especially around non-payment of mandatory 9.5% superannuation guarantee.

Contact Antree to discuss how the Single Touch Payroll changes will affect your business and we can make sure you are compliant by the date required depending on your number of employees.

## Cancellation of ABNs

# CANCEL ABN?

The ABR (Australian Business Register) periodically checks its records for Australian business numbers (ABNs) and automatically cancels those that appear inactive. The ABR checks are happening throughout 2018.

Clients may have their sole trader, partnership or trust ABN cancelled if they have:

- told us they have stopped their business activity
- declared no business income for the last two years
- not lodged business activity statement or income tax returns for more than two years.

To avoid ABN cancellation, clients with outstanding lodgments need to bring these up to date.

There have also been instances where ABNs have been cancelled upon review by the ATO. The Australian Taxation Office confirmed that ABNs for sole traders may be cancelled for a variety of reasons, and that the communications about these cancellations usually don't include "specific case detail" relating to why a number has been blocked.

Usually the underlying reason is the ATO questions the validity of the business, particularly if they mainly contract to one client. It is frustrating for fledging businesses because many businesses in service or consulting industries start with one client.

Here is story of one sole trader who has had her ABN cancelled after 9 years - <https://www.smartcompany.com.au/business-advice/this-will-run-me-dry-sole-trader-speaks-out-about-mystery-abn-cancellation/>

Speak to Antree if you are concerned about your ABN status and we can help to make sure you are operating under the right structure and complying with ATO requirements.