

# CARDELL

## CHARTERED ACCOUNTANTS

newsletter

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## Streamlined reporting with Single Touch Payroll

Single Touch Payroll is a reporting change for employers.

It means employers will report payments such as salaries and wages, pay as you go (PAYG) withholding and super information to the ATO directly from their payroll solution at the same time they pay their employees.

Employers may need to update their payroll solution to report through Single Touch Payroll.

For employers with 20 or more employees, Single Touch Payroll reporting starts from 1 July 2018.

The Australian Government has announced it will expand Single Touch Payroll to include employers with 19 or less employees from 1 July 2019. This will be subject to legislation being passed in parliament.

We will continue to provide information to help you understand what you need to do to get ready for Single Touch Payroll. The ATO is currently working on detailed guidance to assist employers, and will publish this information soon □

## Payroll Tax

Payroll tax is a tax on the wages paid by employers.

Employers are liable for payroll tax when their total Australian wages exceed a certain level called the 'exemption threshold'. Exemption thresholds vary between states and territories.

The payroll tax obligations for not-for-profit organisations are the same as for businesses, except in certain circumstances.

Payroll tax should not be confused with the pay as you go (PAYG) withholding system. Payroll tax is payable to the relevant state or territory by an employer, based on the total wages paid to all employees. Wages include salary, allowances, super contributions, fringe benefits, shares and options and certain contractor payments.

Some organisations may be exempt from payroll tax provided specific conditions are satisfied. These organisations may include religious institutions, public benevolent institutions, public or not-for-profit hospitals, not-for-profit non-government schools and charitable organisations.

### Who pays?

In Victoria, you, or your group of employers, pay this tax if you pay wages in Victoria and your Australian wages exceed the monthly threshold of \$52,083, and the annual threshold of \$625,000 as of 1 July 2017.

The tax-free annual threshold will increase to \$650,000 on 1 July 2018, with a monthly threshold of \$54,166.

The annual threshold will be adjusted if you are not an employer for a full financial year.

Victorian payroll tax rate is 4.85% except for regional Victorian employers. The rate of payroll tax for regional employers is 3.65% □

## Happy holidays !

Our office will close for the Christmas holiday from 12pm on 22 December 2017 and will reopen on 8 January 2018 at 9am.

We would like to thank you for your continuing support and wish you a happy and prosperous festive season □

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## Residential rental property travel expenses

In the 2017-18 Budget, the Government announced that it intended to deny all travel deductions relating to inspecting, maintaining, or collecting rent for a residential investment property from 1 July 2017.

It is intended that travel expenditure incurred in gaining or producing assessable income from residential premises used as residential accommodation will not be deductible. The travel expenditure will also not be recognised in the cost base of the property for CGT purposes □

## Taxable Payments Annual Report

Businesses in the **building and construction industry** need to report the total payments they make to each contractor for building and construction services each year.

These payments need to be reported to the ATO on the *Taxable payments annual report* by 28 August each year.

Please contact our office if you have not yet lodged your report for the year ended 30 June 2017 □

## Transfer balance cap ~ Superannuation

The transfer balance cap applies from 1 July 2017.

It is a new limit on the total amount of superannuation that can be transferred into the retirement phase. All your account balances will be included when working out this amount. It does not matter how many accounts you hold these balances in.

You can continue to make multiple transfers into the retirement phase as long as you remain below the cap.

The transfer balance cap will start at \$1.6 million. It will be indexed periodically in \$100,000 increments in line with CPI. The amount of indexation you will be entitled to will be calculated proportionally based on the amount of your available cap space. If, at any time, you meet or exceed your cap, you will not be entitled to indexation □

## Small business entity concessions

Small businesses can access a range of concessions including payment and reporting options. This applies to sole traders, partnerships, companies or trusts.

Work out if you are a 'small business entity' in an income year to be eligible for these concessions. You must review your eligibility each year to check if you are able or required to use any concession □

## WorkCover insurance

If you are employing staff / employees, you must take out WorkCover insurance if:

- you expect to pay more than \$7,500 a financial year in rateable remuneration, or
- you have any apprentices or trainees.

This applies even if you're a small company with only one worker.

If you meet this criteria but don't have WorkCover insurance yet, you should register immediately. WorkSafe needs to receive your registration form within 60 days of the date you first meet these requirements.

If you're required to register, and one of your workers makes a claim for compensation, you must report the claim to WorkSafe.

If you fail to register for WorkCover insurance and one of your workers suffers an injury at work, WorkSafe may still pay compensation, but the cost of compensation provided to your worker will be recovered from you and you may also face a significant fine □

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## Technical experts and trusted business advisors

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