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THE CP CATCHUP

WELCOME TO THE TWENTY-SIXTH EDITION OF THE CP CATCHUP

OCTOBER 2017

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ATO Warning To People Involved With Ride-Sourcing

With tax time coming, the ATO wants people involved in ride-sourcing to make sure they understand their tax obligations. Assistant Commissioner Tom Wheeler said that drivers in the sharing economy should be aware that anything they earn is assessable income that needs to be included in their tax return:

"The ATO collects more than 650 million pieces of data each year and has recently started receiving information directly from ride-sourcing facilitators to better support drivers to report their tax obligations correctly. This also means that if you misreport your income, red flags will be raised in our systems and we'll start asking questions"

Mr Wheeler said the ATO is reminding taxpayers that have a ride-sourcing enterprise, that they must be registered for GST (and therefore, must have an ABN) regardless of their turnover, and pay GST on the full fare.

"By reporting your ride-sourcing income and GST you can also claim tax deductions and GST credits in respect of your business expenses, such as your car, fuel, servicing and your smartphone and data usage."

"Remember, if you purchase something that's used for both business and private use. You can only claim the part that relates to your business use."

For more information on ride-sourcing and GST obligations, visit ato.gov.au/ridesourcing.

For more information on the sharing economy and tax obligations, visit ato.gov.au/sharingeconomy.

Source: Ref: ATO media release, 30 June 2017

Tax Debt Payment Plans

Taxpayers with a debt of \$100,000 or less can take advantage of the ATO's self-help service to set up a payment plan in two easy steps.

1. Use the payment plan estimator to work out their options
2. With their TFN or ABN on hand, set up a payment plan by either:
 - o Phoning the ATO's automated service on 13 72 26; or
 - o Using the online services for sole traders or individuals on their myGov account.

If they pay late or by instalments, interest accrues on the unpaid debt. In some circumstances, taxpayers may be eligible for interest-free payment plans for activity statement debts (interested taxpayers should phone 13 11 42 to find out if they are eligible). If the tax debt is more than \$100,000, the taxpayer can also phone 13 11 42. Note that taxpayers with a payment plan still need to lodge all of their ongoing activity statements and tax returns on time.

Source: Ref: ATO's Small business newsroom "Have a tax debt \$100K or less?", 19 June 2017



Government on Small Business Company Tax Cuts

Note, the small business company tax rate has been reduced from 28.5% to 27.5% from 1 July 2016. There have been reports that this company tax rate reduction may be available more broadly, possibly even to passive investment companies. However, the government has been quick to (attempt to) quash such rumours. The Minister for Revenue and Financial Service, the Hon Kelly O'Dwyer MP, has stated that reports that the ATO "has broadened the interpretation of company tax cuts are premature", and also that the ATO will in due course provide other guidance. "As always it is up to the ATO to determine how the law applies and in this case whether a company is carrying on a business or not". However, the policy decision made by the Government to cut the tax rate for small companies was not meant to apply to passive investment companies". "At the end of the day the Government wants to see lower taxes on small and medium businesses."

Source: Ref: Minister for Revenue and Financial Services Media Release, 4 July 2017

Client In Focus - Clay Oven Wood Fired Pizza Restaurant Greensborough

Clay Oven is a family owned and operated business started in 2014 by Portuguese brothers Abel and Carlos. The menu includes a variety of Portuguese inspired Mediterranean cuisine cooked with many dishes prepared in the wood fired oven.

The licensed restaurant is open for breakfast, lunch and dinner.

Tuesday – Saturday 8.00am – 9.30pm, Sunday 8.00am – 2.00pm Breakfast "all day " served 8.00am – 5.30pm



Clay Oven menu includes a generous selection of options for breakfast, lunch and dinner, whether dining in or take away.

19 Greenhill Road, Greensborough VIC 3088

Phone: 03 9435 0098

Website: <http://clayoven.com.au/>

Important Upcoming Dates

October 21st 2017

September 2017 Monthly
Activity Statement Due

October 21st 2017

Annual PAYG Instalments Due

October 28th 2017

September 2017 Quarter
Superannuation Contributions Due

October 28th 2017

September 2017 Quarter
Activity Statement Due
***extension available if you lodge
electronically, 25 November 2017*

October 31st 2017

Tax Returns Due for Clients
Lodging Themselves

November 21st 2017

October 2017 Monthly
Activity Statement Due

December 21st 2017

November 2017 Monthly
Activity Statement Due

