



# SOUTHERN BUSINESS SOLUTIONS

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From 1<sup>st</sup> July 2016, as Accountants we are able to provide general or generic information relating to matters such as superannuation and investments. If you require specific advice on such matters after 1<sup>st</sup> July 2016, we are pleased to be able to help you through our associated company "Southern Finance Solutions".

We are able to continue to provide the high quality taxation advice you have received over the years through Southern Business Solutions, as this part of our business remains unchanged by the FOFA legislation.

## Business Management Software

If you are using a desktop version of Business Management Software, such as MYOB, Reckon Accounts and Cash Flow Manager, you may not be aware that older versions of the programs are no longer supported by the software developers. This means that if the software fails to operate correctly for some reason, the Software Developers will not repair it.

We recommend you check with your Software Developer what versions of their desktop programs they are continuing to support. If your version is no longer supported, upgrade as soon as possible, to either the latest desktop version or to one of the online versions available. Also, remember to backup your program data on a very regular basis!

## FBT update

### 1) FBT exemptions for work-related electronic devices

From 1 April 2016, small business employers (with turnover of less than \$2 million) will be able to provide your employees with multiple electronic devices to use for work without incurring a fringe benefits tax (FBT) liability.

## Financial Planning Advice

We are pleased to announce that we now provide financial planning services through an associated company, "Southern Finance Solutions Pty Ltd". Jason Ellis has recently been appointed an authorised representative of Politis Investment Strategies Pty Ltd, a boutique financial planning and investment management firm. Their unique approach allows us to provide you with financial planning services on a genuine fee for service basis.

All accounting services will continue to be provided to you by Southern Business Solutions, as they have been for many years.

### To do!

If you require any financial planning assistance, investment advice or risk insurance, please contact us to make an appointment and have a chat.

## Future of Financial Advice (FOFA)

<http://futureofadvice.treasury.gov.au/favicon.ico>

The Government has introduced legislation over the past few years relating to the provision of "Financial Advice" in Australia. One particular part of that legislation comes into effect on 1<sup>st</sup> July 2016 and changes the way we as Accountants can discuss financial products with you.

You can provide:

- mobile phones
- tablets
- laptops
- calculators
- GPS navigation receivers.

Note that providing these devices may be a benefit in addition to or part of your employee's salary or wages package.

### To do!

If you are planning on providing multiple devices to your employees, talk to your tax adviser first to ensure you properly comply with the FBT rules.

## Reviewing taxable payments annual reports

The ATO is contacting businesses in the building and construction industry about information that businesses have provided on their *Taxable Payments Annual Report*. The ATO will be contacting businesses who have:

- provided a report with missing or invalid ABNs;
- included amounts paid for GST when the contractor isn't registered for GST;
- not lodged a report, when ATO records indicate they should;
- advised the ATO they are not required to report, but the ATO's records indicate the business should have reported.

The ATO will advise businesses that are reviewed what the review has found and will suggest ways to make it easier for the business to complete their reports more accurately in the future, such as using the ABN Lookup tool or ATO app to check a contractor's ABN or if they are registered for GST.

## Claiming website development costs

If you incur expenses creating or maintaining your business' website, you may be able to claim some of these costs as a deduction in your tax return.

### a) Capital expenditure

You might be able to claim costs incurred before you start up your business over a 5 year period after your business starts up (ie claim 20% of the cost per year).

### b) Simplified depreciation rules

If you have started your small business already and have chosen to use the simplified depreciation rules, you might be able to deduct the expense immediately.

- If you incur the cost between 12 May 2015 and 30 June 2017 and the cost is:
  - less than \$20,000 – you may claim a deduction for the full cost in the income year you incurred the expenditure;
  - \$20,000 or more – you may allocate the cost to a general small business pool.

Different rules apply if you have elected to allocate expenditure on in-house software to a software development pool. From 1 July 2015, in-house software expenditure incurred and allocated to a software development pool is deductible over five years.

### c) Non-capital expenditure

You may also be able to claim a deduction for the ongoing expenses of running and maintaining your website, such as domain name registration and server-hosting in the income year that you incur this cost.

### To do!

Seek professional advice from your tax agent or adviser about how to claim website development costs.

## Data matching programs

### 1) Real property transactions - Data matching program

The ATO has announced that it will acquire details of real property transactions for the period 20 September 1985 to 30 June 2017 from State and Territory revenue and land titles departments and offices and rental bond authorities in every State and Territory in Australia: *Australian Government Gazette* No [C2015G02019](#) (8 December 2015).

The objectives of this data matching program are to:

- obtain intelligence about the acquisition and disposal of real property and identify risks and trends of non-compliance across the broader compliance program;
- identify a range of compliance activities appropriate to address risks with real property transactions by taxpayers;

- work with real property intermediaries to obtain an understanding of the risks and issues, as well as trends of non-compliance;
- gain support and input into compliance strategies to minimise future risk to revenue;
- promote voluntary compliance and strengthen community confidence in the integrity of the tax system by publicising the outcomes of the data matching program; and
- ensure compliance with registration, lodgment, correct reporting and payment of taxation and superannuation obligations.

## **2) *Data matching on insurance asset classes***

The ATO is currently working with insurance providers to identify policy owners on a wider range of asset classes. These asset classes include:

- Marine;
- Aviation;
- enthusiast motor vehicles;
- fine art; and
- thoroughbred horses.

The purpose of the ATO obtaining this information is to gain a better understanding of certain taxpayers' wealth and to help the ATO to provide tailored services to taxpayers to ensure they meet their tax obligations.

During January and February, the ATO issued formal notices to insurers to provide the ATO with these policy details. The ATO anticipates it will receive 100,000 records where the different asset classes meet certain threshold amounts.

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