



Building  
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businesses  
locally

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## HBS August 2011 Newsletter for Businesses

Dear Client

Welcome to the August 2011 edition of our newsletter containing tax information for businesses. If you did not recently receive our newsletter for individuals and would like to please [contact us](#).

Please feel free to [forward our newsletter](#) to another business owner; they don't have to be a client to benefit from our FREE advice!

### Lodging ABN Applications Online

Online applications for Australian business number (ABN) and business tax file number applications can now only be lodged through the Australian Business Register (ABR). If you would like assistance in doing this please [make an appointment online](#) or via reception.

### Fuel Tax Credit rate changes

Rates for Fuel Tax Credits have changed. If you would like to compare the rates between last financial year and the year commencing 1<sup>st</sup> July 2011 then please click on the links below:

[Fuel Tax Credit rates for 2011 financial year](#)

[Fuel Tax Credit rates for 2012 financial year](#) (1<sup>st</sup> July 2011 onwards)

### Car Fringe Benefit rule changes

Legislation has recently been enacted that changes the statutory formula method for calculating the value of a car fringe benefit.

Under these changes, the progressive statutory rates have been replaced with a single rate of 20% which applies regardless of the distance travelled. The new arrangements, which are to be phased in over four

years, apply to all car fringe benefits after 7.30pm AEST on 10 May 2011, except where there is a pre-existing commitment in place to provide a car.

This may apply to you if your company owns a car that is garaged at an individual's residence rather than a business premises.

For more information, refer to [Reforms to car fringe benefit rules](#).

## **Is your business undertaking Research & Development? Concessions available**

### [Research and development tax concession: 2011 schedule and instructions](#)

Provides links to the research and development (R&D) tax concession schedule, the automated Excel worksheet, and their respective instructions. These can be used by companies claiming R&D deductions in their 2010-11 company tax returns.

If you have questions as to whether your research and development expenses are available for this concession please [email Connie](#) with a detailed description of the innovative work you are undertaking.

## **ATO focus on Self Managed Super Funds**

This year, the ATO's compliance activity in relation to SMSFs will focus on:

- newly registered funds, to ensure they have not been established to provide illegal early release of super;
- funds lodging their first annual return to ensure they are entitled to receive their 'notice of compliance';
- related-party investments, to ensure they are not contravening the 5% in-house asset limit or the prohibition of lending to members;
- exempt current pension income and non-arm's length income; and
- re-reporting of contributions (particularly if the re-reporting results in the member no longer being liable for excess contributions tax).

If you questions or concerns in regards to your SMSF please [email Allison](#).

## **Superannuation – Common mistakes made by employers**

The ATO has reminded employers of their superannuation obligations and has set out common mistakes they are seeing, including:

- paying insufficient super contributions for eligible employees;
- missing the quarterly cut-off dates (28 October, 28 January, 28 April, 28 July);
- not understanding that in some circumstances super should be paid for contractors, even if the contractor quotes an ABN;
- not keeping accurate records;
- not lodging a Superannuation Guarantee Charge statement if they have not paid their employees' super to the fund by the due date or don't pay the correct amount; and
- not passing on an employee's tax file number to their super fund. Employers must provide their employee's tax file number to their super fund within 14 days of receiving it. If they don't, the employee's super contributions will be subject to extra tax and may not be accepted by the super fund (and the employer may also be penalised).

## Evading Pay As You Go Withholding obligations

Failing to withhold and report tax from cash payments to employees is illegal. The ATO use a range of strategies to identify businesses that may not be withholding tax from cash payments to workers.

If you make cash payments to your workers, you must withhold tax from those payments when required to, and report to the ATO the amounts withheld. If you are aware of competitors who are using cash payments to evade their withholding obligations, we recommend you notify the Tax Evasion Referral Centre on 1800 060 062

### Key dates for Business Taxpayers

21<sup>st</sup> September - August 2011 monthly activity statement - due date for lodging and paying

30<sup>th</sup> September - Due date for lodging PAYG withholding payment summary annual report for payers whose registered agent (BAS agent or tax agent) helped prepare the report.

21<sup>st</sup> October - September 2011 monthly activity statement due date for lodging and paying.

28<sup>th</sup> October - Quarterly activity statement, quarter 1, 2011-12 - paper - due date for lodging and paying

28<sup>th</sup> October - Quarterly instalment notice (form R, S, or T), quarter 1, 2011-12, due date for payment - you only need to lodge if you are varying the instalment amount.

28<sup>th</sup> October - Super guarantee contributions, quarter 1, 2011-12 - contributions to be made to the fund by this date.

28<sup>th</sup> October - Annual activity statement for TFN withholding for closely held trusts - date for lodging and paying where a trustee of a closely held trust withheld amounts from payments to beneficiaries during FY11

Want to see some particular tax topic/tip mentioned here? Please [contact us](#) with your request, we are more than happy to oblige.

Regards  
The HBS Team  
Kathryn, Allison, Connie, Lynne, Tina, Nikki and Katherine

Please Note: Many of the comments in this publication are general in nature and anyone intending to apply the information to practical circumstances should seek professional advice to independently verify their interpretation and the information's applicability to their particular circumstances.

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Appointment

