

June 2019

Tax Time



Optio Advisor

Employees and Payment Summaries

The end of this financial year is the end of the first year of Single Touch Payroll (STP) reporting for large employers. This means that some employees will no longer receive a PAYG Payment Summary (Group Certificate) summarising their end of financial year information from their employer, showing their earnings for the year.

Under Single Touch Reporting large employers will instead confirm wage details direct with the tax office which will be summarised in an "Income Statement". The Income Statement details will be available electronically through myGov accounts and the tax office's online access portals. Employers will be required to confirm the details by 14 July, although for this year, the tax office has extended the due date for confirmations to 31 July 2019.

If your employer is reporting through Single Touch Payroll, your finalised wage details will not be available until your employer confirms the details with the tax office. Until that process has been completed, we will not be able to complete your income tax return.

All other employers will begin Single Touch Reporting from 1 July 2019 and therefore whilst you may still get a PAYG Payment Summary this year, it is unlikely that you will get one next year.

Should you need further details, a fact sheet is available on the Tax Help page at our website.



Cryptocurrency Data Matching

The tax office is collecting bulk records from Australian cryptocurrency designated service providers ('DSPs') as part of a data matching program to ensure people trading in cryptocurrency are paying the right amount of tax, and correctly meeting their tax (and superannuation) obligations.

The data will be collected to identify individuals or businesses who have or may be engaged in buying, selling or transferring cryptocurrency during the 2014/15 to 2019/20 financial years (the tax office estimates that there are between **500,000 to one million Australians** that have invested in crypto-assets, including SMSF trustees).

Cryptocurrency is a form of digital currency and therefore is reliant on secure digital record keeping. In most (but not all) cases the purchase of Cryptocurrency will be treated as a capital investment. As a capital investment you will be treated under the capital gains tax regime. Therefore, if the item has been sold, a calculation of the gain or loss must be made and recorded in your income tax return. Capital losses can be offset against any other capital gain in the same year or future year.



If you have purchased any form of cryptocurrency, we are requesting that you provide us with details this year even if you have not sold the cryptocurrency. This will help both our office and you to be prepared should (when) the tax office contacts you about your transactions.

Downsizer Contributions

The ability to make 'downsizer contributions' effectively commenced on 1 July 2018, prompting the tax office to release further guidance with respect to this new superannuation contribution classification.

This new measure will be of most assistance for individuals approaching retirement, where they dispose of their family home in an effort to 'downsize' and they want to contribute part or all of the proceeds to superannuation.

Basically, these measures allow older Australians to make a downsizer contribution where:

they are aged at least 65;

- there was consideration received for the disposal of an eligible Australian dwelling;
- the contract of sale for the property was entered into on or after 1 July 2018;
- a superannuation contribution is generally made within 90 days of settlement;
- the contribution does not exceed the lesser of \$300,000 and the proceeds received from the sale of the dwelling;
- an ownership interest in the dwelling had been held for at least 10 years (usually by the individual making the contribution or their spouse);
- either a full or partial CGT main residence exemption applies to the disposal of the dwelling;
- a choice to treat the contribution as a downsizer contribution is made in the approved form; and
- broadly speaking, it is the first downsizer contribution the taxpayer has made.

The contribution will not affect the usual non-concessional contribution limit of \$100,000pa and will be treated as a tax-free contribution to your superannuation fund.



Scamming Activity Increases

The tax office is warning that scammers have adopted 'Robocall' technology to target taxpayers across the country.

Assistant Commissioner Gavin Siebert said: *"Scammers are sending pre-recorded messages in record numbers and are manipulating caller identification so that your phone displays a legitimate ATO phone number despite coming from an overseas scammer"*.

"If the scammers do make contact, they will request payment of a tax debt – usually through unusual methods like bitcoin, gift cards and vouchers. Legitimate ways to pay your tax debt are listed on our website. The scammers will threaten you with immediate arrest, attempt to keep you on the line until payment is made and may become rude or aggressive."

The technique of displaying misleading phone numbers is known as "spoofing" and is commonly used by scammers in an attempt to make their interactions with taxpayers appear legitimate.

The tax office has also received increasing reports of a new take on the 'fake tax debt' scam, whereby scammers are impersonating registered tax agents to lend legitimacy to their phone call. The fraudsters do this by coercing the victim into revealing their agent's name and then initiating a three-way phone conversation between the scammer, the victim, and another scammer impersonating the victim's registered tax agent or someone from the agent's practice.

As the phone conversations with the scammers appeared legitimate and the victims trusted the advice of the scammer 'tax agent', victims have been falling for this new approach. If you are suspicious about a phone call from someone claiming to be from the tax office, then you should disconnect and call either our office directly or the tax office to confirm the status of their tax affairs and verify the call received.



Tax agent
00169002



INSTITUTE OF
PUBLIC
ACCOUNTANTS*



CERTIFIED
ADVISOR



**Optio
Accountants**

8/53 Monash Road
Tarragindi QLD 4121

PO BOX 360
Holland Park QLD 4121

Phone: 07 3221 2000
Email:
client@optioacc.com.au
Web:
www.optioacc.com.au

Liability limited by a scheme
approved under Professional
Standards legislation