



ATO Update

Fuel Tax Credit Rates

The Fuel Tax Credit Rates did not change in August 2020, so please continue to use the same fuel tax credit rates up to 31 January 2021:

	Heavy vehicles (GVM > 4.5T) travelling on a public road	Off public roads/ Agriculture
1/7/20 to 31/12/20	16.5cpl	42.3cpl

ATO issues new myGov related scam warning

With tax time upon us, scammers have developed new methods to get hold of bank and credit card details, involving a convincing impersonation of the ATO.

The Australian Taxation Office (ATO) has warned the public of new myGov related SMS and email scams, which appear in a taxpayer's legitimate ATO or myGov SMS message thread, but are in fact malicious traps set up to steal private details.

"We're receiving increasing reports of several myGov-related SMS and email scams. These scams look like they have come from a myGov or ATO email address. They also might appear in your legitimate ATO or myGov SMS message thread," the ATO said in its most recent scam warning.

The message making rounds at the moment asks taxpayers to urgently verify their details via a myGov impersonation website, and threatens to lock their account if the instructions are not heeded within 24 hours.

But the ATO has urged people to refrain from clicking on the link.

Explaining that individuals will get email or SMS notifications from myGov whenever there are new messages in their myGov inbox, the ATO said these messages will never include a myGov account link.

It instructed the public to always access the ATO's Online services directly via my.gov.au, ato.gov.au and the ATO app.

The ATO said: "All online management of your personal tax affairs should be done in ATO Online services, accessed through your genuine myGov account."

BCH CLIENT UPDATE DUE TO COVID-19 PANDEMIC

We hope you and your families are well and keeping safe.

BCH Accountants is open for business and we understand the coming weeks and months will continue to be a stressful time for many of our clients. Please, we ask that if anyone faces direct challenges to reach out to us and we will listen with understanding and assist where we can.

What does this mean for our clients?

We stand ready to support you through these unprecedented conditions to meet your tax compliance and employer obligations.

Due to COVID-19 restrictions:

- We are not able to have face-to-face appointments until further notice. Instead all communication will be via phone or email.
- We ask that anyone who needs to drop information into us, to please leave any items in the box provided at our front door – during business hours only. Alternatively, where possible please send documents electronically.
- Due to individual circumstances our staff members may be working different hours than usual. However, we will be all contactable via email and will return any phone calls as soon as possible.

Moving Forward

As we have learnt over the last six (6) months, this is an evolving situation requiring us all to be adaptable. We will continue to provide updates by email as we navigate our way through these difficult times.

We appreciate your understanding and hope that none of our clients are directly impacted by the virus. Please stay safe, well and in touch.

Staff Update

To assist you with planning appointments we wish to advise of the following staff members work movements:

Karen Griffiths

Karen has recently started in the administration section at BCH. She may answer the phone when you call our office, so please make her feel welcome.

Dallas Landwehr

Dallas will be away from Monday 21st September until Friday 2nd October 2020. He will return to the work on Monday 5th October 2020.

Michelle Schier

Michelle will be away from Tuesday 22nd September until Friday 25th September 2020. She will return to work on Monday 28th September 2020.

Sharon Robertson

Sharon will be away from Monday 28th September until Friday 2nd October 2020. She will return to work on Monday 5th October 2020.

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JobKeeper Changes

JobKeeper was originally scheduled to end on 27 September 2020. However the Government has now extended it in two further stages:

- a) Extension 1: from 28 September 2020 to 3 January 2021; and;
- b) Extension 2: from 4 January 2021 to 28 March 2021.

From 28 September 2020 the JobKeeper payments will drop and will be split into two tiers/categories based on the number of hours worked by the employee and business owner:

Tier 1 Rate	Tier 2 Rate
<ul style="list-style-type: none"> • Eligible employees who worked 80+ hours in the four weeks before their test date as per their JobKeeper Nomination Notice, ie. 1 March 2020, or 1 July 2020 for newer employees; • Eligible business participants who were actively engaged in the business for 80+ hours in February 2020. 	All other eligible employees and eligible business participants

JobKeeper Extension 1

You will need to demonstrate that your actual GST turnover has fallen in the September 2020 quarter (July, August & September added together) relative to a comparable period (generally the corresponding quarter in 2019).

The rates of the JobKeeper Payment in this extension period are:

- Tier 1: \$1,200 per fortnight (before tax)
- Tier 2: \$750 per fortnight (before tax)

JobKeeper Extension 2

You will need to demonstrate that your actual GST turnover has fallen in the December 2020 quarter (October, November & December added together) relative to a comparable period (generally the corresponding quarter in 2019).

The rates of the JobKeeper Payment in this extension period are:

- Tier 1: \$1,000 per fortnight (before tax)
- Tier 2: \$650 per fortnight (before tax)

What Doesn't Change

- Do not need to re-enrol for JobKeeper Extension 1 or 2;
- Do not need to re-assess employee eligibility;
- Business participants do not need to meet any further requirements;
- Fall in turnover test – most businesses still require a 30%+ fall in turnover compared to the prior year.
- You must pay your employees at least the minimum amount (per the Tiers above) to receive the JobKeeper payments.

Please note that if you become ineligible for JobKeeper in the September quarter, you may re-enter JobKeeper for the December quarter if you subsequently become eligible.

Cents Per Kilometre Rates

The ATO has updated the cents per kilometre rate relating to individual car expenses.

The cents per kilometre method:

- uses a set rate for each kilometre travelled for business;
- allows you to claim a maximum of 5,000 business kilometres per car, per year;
- does not require written evidence to show exactly how many kilometres you travelled (but the ATO may ask you to show how you worked out your business kilometres, for example diary records); and
- uses a rate that takes all your vehicle running expenses (including registration, fuel, servicing and insurance) and depreciation into account.

The rate is:

- ◆ 72 cents per km for 2020/21;
- ◆ 68 cents per km for 2018/19 and 2019/20.

Have You Received A Government Payment Or Grant?

If your business has received a grant or payment from the Australian Government or a state or territory government, you may need to include it in your tax return.

Some grants and payments are assessable income and so need to be included in your tax return.

Grants and payments that are assessable income include:

- JobKeeper payments or fuel tax credits;
- Grants, such as an amount you receive under the Australian Apprenticeships Incentives Program
- Subsidies for carrying on a business.

There are some government grants and payments that you do not need to pay tax on. One example of this is the cash flow boost, received when you lodged your Business Activity Statements (BASs).

How and where you report assessable grants and payments in your tax return will depend on your business structure.

We at BCH Accountants can help you with your tax and can help you if you are uncertain about the tax treatment of government grants or payments you have received.



Quick Tips for Activity Statements

When completing your next Business Activity Statement (BAS), remember:

- Only claim GST credits for the business portion of purchases;
- Check you aren't claiming for GST-free items;
- You need to claim GST and fuel tax credits within four years;
- If your business runs fundraising events, check your Income Tax and GST reporting requirements;
- JobKeeper payments aren't reported on your Activity Statement, however they are reported as income in your income tax return.
- You can vary your Pay As You Go (PAYG) tax instalment amount or rate on your activity statement. Lodge this before lodging your income tax return.

Additional support is available. Act early so we can help you as soon as possible.

Need more time?

- lodge online – you may be eligible for two extra weeks to lodge and pay;
- set up an instalment payment plan;
- prepay using BPAY®, credit card or debit card.

Made a mistake? Revise or fix the mistake on your next activity statement.

Waiting for a refund? Ensure your lodgments are up to date.

Remember, we at BCH Accountants can help you.

Newly Eligible JobKeeper Employees

With the rules for JobKeeper eligibility for your new employees changing effective from 3 August 2020 (JobKeeper fortnight 10), the ATO has issued new information.

Employers should claim JobKeeper Payments for any newly eligible employees when completing their August monthly JobKeeper business declarations. The ATO have created a factsheet to explain the steps you need to take [ATO JobKeeper fact sheet](#).

Instant Asset Write Off Deadline Extended

The current \$150,000 instant asset write off for business has been extended to 31 December 2020.

Please note that the asset must be installed and ready to use by the business by 31 December 2020 to take advantage of this measure. It applies to both new and used assets.

The ATO has also advised that from 1 January 2021 the instant asset write off threshold will revert back to \$1,000.

Accelerated Depreciation – still available

- Can still be used for asset purchases up until 30 June 2021.
- Must purchase a new asset;
- No cost limit;
- Only for depreciation assets like plant and equipment, eg. cannot be a shed;

R U OK? Day

R U OK? Tips to destigmatise mental health in business

Ahead of R U OK? Day (on Thursday 10th September 2020), experts are asking businesses to destigmatise conversations on mental health in the workplace by putting in place policies and injecting a culture that is motivated by compassion.

[Read more](#)



Home Office Expenses

Back in April 2020 the ATO announced that a 'shortcut' method was to be made available to use from 1 March 2020 until 30 June 2020 for individuals claiming home office expenses due to COVID-19. The ATO has recently announced an extension of this shortcut method to also include 1 July 2020 to 30 September 2020.

In summary, a taxpayer can claim a deduction of 80 cents for each hour they work from home due to COVID-19 as long as the individual is:

- working from home to fulfil their employment duties and not just carrying out minimal tasks such as occasionally checking emails or taking calls; and
- incurring additional deductible running expenses as a result of working from home.

A taxpayer does not have to have a separate or dedicated area of their home set aside for working, such as a private study.

The shortcut method rate covers all deductible running expenses such as: electricity and gas used for heating/cooling and running electronic items used for work purposes; depreciation and repair of assets used for work purposes; work-related phone and internet costs.

Source: NTAA

PAYG Instalments For The 2020/21 Income Year

Pay as you go (PAYG) instalments allow you to make regular payments towards your expected end of year income tax liability. Every year we adjust PAYG instalment amounts using a formula known as the gross domestic product (GDP) adjustment.

For the 2020/21 income year, there is no GDP adjustment to PAYG instalments. This was recently legislated in response to COVID-19.

PAYG instalment variations made in 2019/20 won't carry over into the new income year. If you think you will pay too much (or too little) tax for the 2020/21 year, you will need to vary your instalments again, ie. from the September 2020 instalment onwards.

Calculating and paying the right PAYG instalment amounts will help you manage a healthy cash flow.

Remember, we at BCH Accountants can help you.

Disclaimer: 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. If you no longer wish to receive any client@lerts from BCH Accountants contact info@bchaccountants.com.au and insert **UNSUBSCRIBE** in the subject.