



ATO Update

New Fuel Tax Credit rates

On 1st February 2021, the fuel tax credit rates increased as part of the ATO's six monthly indexation.

Please note that the relevant date is the acquisition date of the fuel, and not when you paid for the fuel.

Below are the fuel tax credit rates for fuel purchases up until 31st January 2021, and then the new rates that apply from 1st February 2021. The rates are shown in cents per litre (cpl):

| | Heavy vehicles (GVM > 4.5T) travelling on a public road | Off public roads/ Agriculture |
|-------------------------------------|---|-------------------------------|
| 1/7/20 to 31/1/21 | 16.5cpl | 42.3cpl |
| **NEW** 1/2/21 to 30/6/21 | 16.9cpl | 42.7cpl |

Shortcut Rate For Claiming Home Office Expenses Extended

The ATO has extended (again) the ability to utilise the "shortcut rate" for claiming home office running expenses to 30 June 2021 (it previously only applied until 31 December 2020).

The ATO's guideline allows certain taxpayers to claim a fixed rate per hour (80 cents per hour) for most additional running expenses incurred when working from home by keeping a record of the number of hours they have worked from home, rather than needing to calculate specific running expenses.

The expenses included in the shortcut rate include lighting, heating, cooling and cleaning costs, the decline in value and repair of home office items (such as furniture and furnishings in the area used for work, computers and laptops, etc.), and phone and internet expenses.

However, the guideline does not cover "occupancy expenses", such as rent, mortgage interest, property insurance and land taxes.

COVID Depreciation Changes Could Result In Unwanted Tax Losses

We recommend that you contact BCH to consider:

- ◆ Your current Farm Management Deposits;
- ◆ Capital Gains Tax opportunities;
- ◆ Sale of grain/hay/livestock/stock before June 30;
- ◆ Restructuring your business;
- ◆ Sale of existing plant and equipment;
- ◆ Paying wages to utilise your Tax Free Threshold;
- ◆ Loss of tax deductions:
 - Superannuation;
 - Donations;
- ◆ Tax planning strategies;

Summary Of Depreciation Changes

- ◆ Instant Asset Write Off increased to \$150,000 from 12th March 2020;
- ◆ Enhanced depreciation under Backing Business Investment for Effective Life depreciation and Small Business Pools from 12th March 2020;
- ◆ Temporary Full Expensing from 6th October 2020;
- ◆ Small Business pool balances are written off at 30 June 2021 and 30 June 2022 for small business entities;

Staff Update

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

Sharon Robertson

Sharon will be away from Tuesday 6th April until Friday 9th April 2021. She will return to work on Monday 12th April 2021.

Dallas Landwehr

Dallas will be away from Monday 12th April until Monday 19th April 2021. He will return to work on Tuesday 20th April 2021.

Justin Rethus

Justin will be away on leave from Monday 19th April until Friday 30th April 2021. He will return to work on Monday 3rd May 2021.

Cherese Mackley

Cherese will be away on leave from Monday 3rd May until Tuesday 11th May 2021. She will return to work on Wednesday 12th May 2021.

Rod Taylor

Rod will be away on leave from Monday 3rd May until Friday 14th May 2021. He will return to work on Monday 17th May 2021.

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JobMaker Hiring Credit Scheme: Now Open

The JobMaker Hiring Credit is being administered by the ATO and provides a wage subsidy payment directly to employers as an incentive to employ additional job seekers aged 16 to 35 years.

Registrations for the JobMaker Hiring Credit scheme opened on 7 December 2020, and claims for the first JobMaker period can be made from 1 February 2021, provided employers are registered and meet all eligibility requirements.

Employer eligibility requirements include that applicants:

- ◆ are up to date with their tax and GST lodgment obligations for the last 2 years;
- ◆ have not claimed JobKeeper payments for a fortnight that started during the JobMaker period; and
- ◆ are reporting through Single Touch Payroll.

The ATO will be writing to employers who have registered for the JobMaker Hiring Credit from 15 January 2021, encouraging them to check that they meet all JobMaker Hiring Credit eligibility criteria before they claim, to ensure that registrants can make a claim from 1 February 2021 and there are no delays in them receiving their payments.

Click [here](#) for more information.

Apprenticeship Wage Subsidy Extension

Prime Minister Scott Morrison has announced an extension of the government's apprenticeship wage subsidy program for another 12 months and has added an extra \$1.2 billion investment towards the scheme.

Under the Boosting Apprenticeship Commencements program, any business or group training organisation that engages an apprentice between 5 October 2020 and 30 September 2021 may be eligible for a subsidy of 50 per cent of wages paid to a new or recommencing apprentice or trainee for a 12-month period from the date of commencement, to a maximum of \$7,000 per quarter.

Further, there is no cap on the number of eligible trainees/apprentices under the program.

The government said it will extend the program for a full 12 months for new apprentices and trainees signed up prior to 30 September 2021.

It is estimated the expansion will generate around 70,000 new apprentice and trainee places, with the government investing around \$1.2 billion.

ATO Data Matching Programs

The ATO has announced it will engage in the following data-matching programs:

- ◆ it will acquire motor vehicle registry data from state and territory motor vehicle registry authorities for 2019/20 through to 2021/22, with records relating to approximately 1.5 million individuals to be obtained each financial year; and
- ◆ it will acquire data on Australian sales made through online selling platforms for the 2018/19 through to 2022/23 financial years, collecting 20,000 to 30,000 account records each financial year (with around half of the matched accounts relating to individuals).

Make The Switch To Online Services For Business

Learn how to use the ATO's new service for managing your tax and super affairs

Click [here](#) for more information.



COVID-19 Information for Workplaces

Work health and safety COVID-19 vaccine information Safe Work Australia has information and resources for employers, small businesses and workers on the COVID-19 vaccines and how to manage risks from COVID-19 in the workplace.

Find out more [here](#).

Resources for small business

A number of useful resources for small businesses including:

- ◆ What to do if your small business is facing financial difficulties,
- ◆ Company facing challenges: information for company directors,
- ◆ Importance of seeking advice: information for company directors,
- ◆ ATO Small Business tips,
- ◆ ATO Small Business webinars, and;
- ◆ Other links we like.

Find out more [here](#).

Solar & Energy Grants For Business

The Victorian Government has introduced two new small business grants to assist businesses to increase energy efficiency and reduce costs.

Solar For Business Program

The Solar for Business Program will offer 15,000 solar rebates for small businesses, covering up to 50 per cent of the cost of a rooftop solar system, with an eligible rebate of up to \$3,500.

From May 2021, rebates will be available to small businesses operating from non-residential premises with fewer than 20 staff for systems with a capacity up to 30kW delivered by retailers and installers registered with the Solar Homes Program.

The Solar for Business Program will initially be available to businesses operating in their own premises, before expanding soon after to include businesses that rent their premises.

Small Business Energy Saver Program

Further support will be provided through the Small Business Energy Saver Program to help small businesses install energy-efficient equipment.

Bonuses of up to \$2,000 can be used for upgrades to energy-efficient work equipment such as airconditioning, refrigeration and heat pumps.

The Victorian government announced both programs are part of an investment of more than \$46 million in the 2020–21 state budget towards clean energy and energy efficiency for small business.

For more information click on the following links:

[Solar for Business Program](#)

[Small Business Energy Saver Program](#)

Grants & Assistance For First Home Buyers

National

1. [First Home Loan Deposit Scheme](#) (FHLSD): Supports eligible first home buyers to build or purchase a new home sooner. There are currently 27 participating lenders across Australia offering places under the FHLSD.
2. [HomeBuilder](#): Provides eligible owner-occupiers (including first home buyers) with a grant of a revised \$15,000 (from \$25,000) to build a new home or substantially renovate an existing home. Note that this scheme ends 31 March 2021.
3. [First Home Super Save Scheme](#): Allows first home buyers to save money for their first home inside their super fund. This is aimed to help first home buyers save faster with the concessional tax treatment of superannuation.

Victoria

1. [First Home Owner Grant](#): A \$10,000 grant is available for buyers intending to buy or build their first new home, while a \$20,000 grant is available for new homes built in regional Victoria for contracts signed from 1 July 2017 to 30 June 2021. The home can be a house, townhouse, apartment, unit or similar, with the contract price at \$750,000 or less.
2. [First Home Buyer Duty Exemption or Concession](#): First homes bought on or after 1 July 2017 may be eligible for an exemption or concession from duty. This scheme applies to both new and established homes, as well as vacant land. The home must be valued at no more than \$600,000 for exemption and \$600,001 to \$750,000 for concession.

Changes to STP reporting concessions from 1 July 2021

Small employers (19 or fewer employees) are currently exempt from reporting 'closely held' payees through Single Touch Payroll ('STP'). Also, a quarterly STP reporting option applies to micro employers (four or fewer employees). These concessions will end on 30 June 2021.

The STP reporting changes that apply for these employers from 1 July 2021 are outlined below.

Closely Held Payees (small employers)

From 1 July 2021, small employers must report payments made to closely held payees through STP using any of the options below. Other employees must continue to be reported each pay day.

A 'closely held payee' is an individual who is directly related to the entity from which they receive payments. For example, this could include family members of a family business, directors or shareholders of a company and beneficiaries of a trust.

Payments to such payees can be reported via STP (from 1 July 2021) using any of the following options:

1. Report actual payments on or before the date of payment.
2. Report actual payments quarterly on or before the due date for the employer's quarterly activity statements.
3. Report a reasonable estimate quarterly on or before the due date for the employer's quarterly activity statements.

Note that consequences may apply for employers that underestimate amounts reported for closely held payees.

Small employers with only closely held payees have up until the due date of the payee's tax return to make a finalisation declaration. Employers will need to speak with these payees about when their individual income tax return is due.

Micro Employers

From 1 July 2021, the quarterly reporting concession will only be considered for eligible micro employers experiencing 'exceptional circumstances'.

Common examples of when the ATO would generally consider it to be fair and reasonable to grant a deferral due to exceptional or unforeseen circumstances include natural disasters, other disasters or events, serious illness or death.

Additionally, 'exceptional circumstances' for access to the STP quarterly reporting concession from 1 July 2021 may include where a micro employer has:

- ◆ seasonal or intermittent workers; or
- ◆ no or unreliable internet connection.

The ATO says it will consider any other unique circumstances on a case-by-case basis.

It should be noted that registered agents must apply for this concession and lodge STP reports, quarterly, on behalf of their eligible micro employer clients.

The quarterly STP reports are due the same day as the employer's quarterly activity statements.



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.