

Latest Taxation News

23 May 2013:

Australian Taxation Office taskforce to target trust

In the 2013 Budget, it was announced that the Australian Government would provide funds to the ATO to undertake compliance activity in relation to trust structures. The ATO has released further information on the potential targets of this compliance action utilising its intelligence systems. It said some of the factors that will attract its attention include arrangements where trusts or their beneficiaries who have received substantial income are not registered, or have not lodged tax returns or activity statements, and where there are offshore dealings involving secrecy jurisdictions. According to the ATO, the taskforce is intended to target higher risk taxpayers and not ordinary trust arrangements and tax planning associated with genuine business or family dealings

10 May 2013:

Research & Development tax incentive for small-to-medium enterprises

On 17 February 2013, the government announced its intention to introduce an annual Australian aggregated turnover threshold, so that very large businesses with turnover of \$20 billion or more will no longer be eligible for the research and development (R&D) tax incentive but will be eligible to claim their R&D expenditure under general tax law provisions, for example, as deductions at the corporate tax rate for business expenditure.

The change will add a third tier to the eligibility requirements for the program and targets the R&D tax incentive to small-to-medium enterprises. It will apply to income years starting on or after 1 July 2013.

Companies with a turnover of less than \$20 million doing eligible R&D can receive an uncapped fully refundable offset if they are in tax loss and, from 2014, eligible companies will be able to receive refunds as quarterly credits - improving cash flow and helping them conduct more R&D.

Quarterly Credits

On 15 June 2011, the Government announced its intention to introduce quarterly credits for companies entitled to the research and development (R&D) refundable tax offset. Quarterly credits will be accessible for quarters beginning on or after 1 January 2014.

23 April 2013:

Small Business - Instant asset write off and simplified depreciation

The changes will enable eligible small businesses to write-off depreciating assets costing less than \$5,000 in the income year in which they start to use the asset, or have it installed ready for use.

This amount was subsequently increased to \$6,500 as part of the carbon pricing announcements.

It also allows for most other assets to be depreciated in a single pool at a 30% rate. The change applies from the 2012-13 income year.

11 Feb 2013:

Small Business - Accelerated initial deduction for motor vehicles

Small businesses can claim up to \$5,000 as an immediate deduction for motor vehicles, with effect for vehicles acquired from the 2012-13 income year.

The remainder of the motor vehicle value is pooled in the general small business pool (depreciated at 15% in the first year and then 30%).

This reform is closely related to another previously announced measure that allows small businesses to immediately write-off any new business asset worth less than \$6,500 from the 2012-13 income year onwards.