

Newsletter

March 2012

P: 02 9747 6544 F: 02 9747 6087
PO Box 2225, Burwood North, NSW, 2134
E: info@btavantage.com.au



Tax planning time

It will soon be time to start looking at tax planning issues for the year ended 30 June 2012.

Please do not hesitate to contact us to organise an appointment to discuss any tax issues you may have prior to 30 June.

The earlier you get in, the better prepared you will be for tax time.

The bTa difference – providing your point of view.

The BTA Team

Reminder of Lodgement Dates

21 April 2012 March 2012 IAS

21 April 2012 Quarterly PAYG instalment activity statement for head companies of consolidated groups

28 April 2012 March 2012 quarter superannuation guarantee contributions

28 April 2012 March 2012 quarter activity statement

15 May 2012 - Income tax return for all other entities not required earlier (including all other consolidated groups), and not eligible for the 5 June concession.

28 May 2012 – 2012 FBT returns

5 June 2012 - Income tax return for non-taxable or refund as per latest year lodged as well as actual non-taxable or refund in current year (unless due earlier) – all entities with a lodgment end date of 15 May 2012 except large/medium business taxpayers and head companies of consolidated groups.

5 June 2012 - Income tax return for individuals and trusts with a lodgment end date of 15 May 2012 provided payment is also made by this date.

21 June 2012 – May 2012 IAS

GIC and SIC rates for quarter ended 30 June 2012

The ATO has advised that the General Interest Charge (GIC) and Shortfall Interest Charge (SIC) rates for the period 1 April 2012 to 30 June 2012 are as follows:

- GIC rate – 11.37%
- SIC rate – 7.37%

Default assessments to issue soon

On 14 December 2011 the ATO issued default assessment warning letters to those with overdue income tax returns, where the ATO have evidence they received taxable income in the relevant financial years.

These letters included the income details the ATO now uses to issue default assessments, unless the overdue income tax returns are lodged by 3 February 2012. Failure to lodge on time and other penalties may apply.

Please contact our office if you have received a default assessment warning letter so as we may liaise with the ATO on your behalf.

ATO issues guidance to Australian residents with undeclared foreign income

Tax Commissioner Michael D'Ascenzo advised the community that the ATO will be focussing on undeclared foreign source income.

Mr D'Ascenzo said the ATO is concerned that not all taxpayers are disclosing their taxable offshore income such as foreign investment income or income earned from inherited assets.

"There are some taxpayers who deliberately attempt to conceal income but there are others who are genuinely unaware of their taxation obligations in relation to offshore income and assets", Mr D'Ascenzo said.

"As an Australian resident, you are taxed on your worldwide income, which means you must declare all income you receive from foreign sources in your income tax return."

The ATO is undertaking a range of compliance strategies to address risks relating to non disclosure of offshore income, including requesting information from banks and enhanced data matching with overseas revenue agencies, AUSTRAC and other government agencies.

Mr D'Ascenzo said Australian tax residents need to be aware of their tax obligations and those who fail to declare their offshore income may incur penalties of up to 75 per cent of the tax avoided.

"Penalties will be reduced by 80% if the person makes a full voluntary disclosure to the ATO", Mr D'Ascenzo said.

ATO warns: scammers are getting increasingly cunning

Tax Commissioner Michael D'Ascenzo today warned the community that scammers are using increasingly sophisticated methods to trick people into giving away their money or personal details, such as their tax file number. "Anyone can be the target of a scam," said Mr D'Ascenzo.

"National Consumer Fraud Week from 19 to 25 March, serves as a timely reminder to the community to be aware of scams.

"If something seems suspicious, too good to be true, asks you for personal details or cannot be verified by contacting an official source, it is likely to be a scam. Scams are designed to trick you into providing either money or personal information that can be used to commit fraud or other illegal activities using your name and details.

"To catch people off guard, scammers use phone calls, letters, SMS messages, emails, bogus websites and even fake job advertisements. Last year we had about 25,000 reports of telephone and email scams using the ATO brand."

A range of tricks are used to make scams appear authentic. For example:

- including a legitimate-sounding message at the start of a call, such as the call is being recorded 'for training purposes',
- sending emails that appear to have come from the ATO, which when opened or downloaded infect your computer with malicious software.

"Do not be outsmarted by these types of scams. Be alert to scam behaviour and report anything suspicious," said Mr D'Ascenzo.

"We are emailing 1.1 million e-tax users warning them about scams as part of this year's National Consumer Fraud Week. We also keep the community informed on the ATO website. These scams are then investigated by the ATO and other government agencies as appropriate, including the Australian Federal Police."

Super co-contribution thresholds

In the 2011-12 Federal Budget, the government announced that the freeze of the indexation applied on the superannuation co-contribution income thresholds for the 2010-11 and 2011-12 years, will apply for an additional year (that is, for personal contributions made in the 2012-13 year).

As part of *Mid-year economic and fiscal outlook (MYEFO) 2011-12*, the government announced further reductions to the co-contributions scheme, for personal contributions made from 1 July 2012.

Reductions to the co-contributions scheme

Year of entitlement	Maximum entitlement	Matching rate	Lower threshold	Higher threshold
2011-12	\$1,000	100%	\$31,920	\$61,920
2012-13	\$500	50%	\$31,920	\$46,920

As always, superannuation is a complex area and errors can easily be made when making superannuation contributions.

Please contact our office should you require further clarification on co-contribution thresholds.