

Client Information Bulletin



September 2022

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1. What's new? – Tax changes from 1 July 2022

A number of income tax and superannuation changes relevant to businesses took effect from 1 July 2022, including:

- temporary full expensing (allows an immediate deduction for the cost of a depreciating asset) was extended by 12 months to 30 June 2023;
- the loss carry back (allows companies to carry tax losses back as far as the 2018–19 income year) was extended by 12 months to 30 June 2023;
- the cessation of employment as a taxing point for ESS interests that are subject to deferred taxation was removed;
- the superannuation guarantee rate increased from 10% to 10.5%;
- the \$450 monthly salary and wages threshold for superannuation guarantee purposes was abolished.

GDP adjustment for 2022–23

The GST and PAYG instalment amounts are usually adjusted every year by the 'GDP adjustment factor'. This is either calculated on the basis of changes in the GDP (gross domestic product) over a 2-year period or is a percentage set by law.

For 2020–21 and 2021–22, the GDP adjustment factor was reduced by legislative amendment to nil. For 2022–23, the GDP adjustment factor has been reduced by legislative amendment to 2% (instead of the usual 10% uplift).

Tip! Talk to your Blaze Acumen tax adviser to find out about any changes that might affect your business.

FBT exemption for electric vehicles

Legislation has been introduced into Parliament that will provide a fringe benefits tax (FBT) exemption for electric and other low emission cars used by employees for private use.

To be eligible for this FBT exemption:

- the car must be a 'zero or low emissions' car – for example, a battery electric vehicle, a hydrogen fuel cell electric vehicle or a plug-in hybrid electric vehicle; and

- the value of the car at the first retail sale must be below the luxury car tax threshold for fuel efficient cars (\$84,916 for 2022–23).

A car that has an internal combustion engine will not be eligible for the FBT exemption unless it is able to be fuelled by a battery that can be recharged by an off-vehicle power source (i.e. a plug-in hybrid car). The FBT exemption will apply to fringe benefits provided on or after 1 July 2022 for eligible electric cars (including second hand ones) first held and used on or after 1 July 2022. The operation of the amendment will be reviewed after three years in light of electric car take up.

Tip! Talk to your Blaze Acumen tax adviser for more details about this FBT exemption.

Corporate tax transparency – resident private companies

The corporate tax transparency income threshold for Australian-owned resident private companies has been reduced from \$200 million to \$100 million.

Each year, the ATO is required to publish corporate tax transparency reports which contain information reported by large corporations. The corporate tax transparency population refers to the entities that are included in the reports.

From the 2022–23 income year onwards, the ATO will include in its corporate tax transparency reports, information reported by Australian-owned resident private companies with an income of \$100 million or more.

Sharing economy

Legislation has been introduced into Parliament that will extend the reporting of data to the ATO. The measure, once legislated, will require electronic platform operators to provide information on transactions made through the platform to the ATO.

It is proposed that transactions relating to the supply of taxi travel and short-term accommodation will need to be reported from 1 July 2022, and all other transactions from 1 July 2023.



2. It's tax time again!

Tax losses

A tax loss is when the total deductions you can claim, excluding gifts, donations and personal superannuation contributions, exceed your total income for an income year.

If your business makes a tax loss, you may be able to:

- offset the loss in the same tax year against other assessable income;
- carry forward the loss and claim it as a business deduction in a later year; or
- carry the loss back to an earlier year (but not before 2018–19) in which the business has an income tax liability and receive a refundable tax offset – *this is available only to companies*.

If your business has made more than one tax loss in a year, you will need to consider each tax loss separately.

If you're a sole trader or in a partnership and want to offset a tax loss, first check if the business activity meets at least one of the tests under the non-commercial loss rules. (Those rules do not apply to losses made by primary producers and professional artists whose income from other sources is less than \$40,000.)

If you do meet one of the tests, then you can offset the loss against other assessable income (such as salary or investment income) in the same income year.

If you don't meet the tests, you can defer the loss or carry it forward to future years. For example, you can offset it when you next make a profit. You may also be entitled to an exercise of the Commissioner's discretion to use the loss, depending on your circumstances.

Non-commercial losses made by an individual with an adjusted taxable income exceeding \$250,000 are quarantined.

The rules for record-keeping still apply in relation to business losses. You need to keep records for 5 years for most transactions. However, if you fully deduct a tax loss in a single income year, you need to keep records only for 4 years from that income year.

Tip! Talk to your Blaze Acumen tax adviser about the best way to utilise tax losses.

Personal services income

If you operate your business through a company or a trust, income earned by the company or trust from the provision of your personal services (personal services income or PSI) will be attributed to you unless:

- the company or trust is conducting a personal services business (PSB); or
- the PSI was promptly paid to you as salary or wages.

The company or trust will be conducting a PSB if at least one of four tests are satisfied. These are:

- *the results test* (the most important test) – this is based on common law criteria for characterising an independent contractor (in contrast to an employee/employer relationship);
- *the unrelated clients test* – this requires the PSI to be earned from at least two unrelated clients who contract your services as a direct result of an advertisement or other public offer of your services;
- *the employment test* – this requires at least 20% (by market value) of your work to be performed by employees;
- *the business premises test* – this requires you to use business premises that meet certain conditions (e.g. you have exclusive use of the premises and the premises must be physically separate from any premises you use for private purposes).

If 80% or more of your PSI (with certain exceptions) is income from one client (or the client and their associate(s)) and the results test is not met, the company or trust will only be able to be treated as conducting a PSB if it obtains a PSB determination from the ATO.

If a company or trust is not conducting a PSB and the PSI was not promptly paid to you as salary or wages, the PSI is attributed to you, the company or trust has PAYG withholding obligations and there are limitations on certain deductions. The company or trust cannot deduct amounts that relate to gaining or producing your PSI, unless you could have deducted the amount as an individual or the company or trust received the PSI in the course of conducting a PSB.

Even if you don't use a company or trust to derive your PSI, there are limitations on the deductions that you may claim against your PSI. For example, you may not be able to deduct certain home office expenses, for example, occupancy expenses such as mortgage interest or rent.

Tip! The PSI rules are complicated so talk to your Blaze Acumen tax adviser if you provide your services through a company or trust.



3. Home Office

A lot more people are working from home because of the COVID-19 pandemic. If you operate your business from a home office, you may be able to deduct the expenses of running that office. A home office is a room in your home that is used exclusively (or almost exclusively) for business activities.

Expenses you can claim a deduction for include:

- *occupancy expenses* – these include rent, mortgage interest, water rates, land taxes and house insurance premiums. Occupancy expenses are usually calculated by apportioning the expenses between the home office and the rest of the property on a floor area basis;
- *running expenses* – these are the increased costs from using your home for your business, including electricity or gas charges for heating, cooling and lighting, cleaning costs and the decline in value and the cost of repairs of deprecating assets such as furniture, furnishings and equipment; and
- *work related phone and internet expenses*, including the decline in value of the handset – an apportionment will be required if the phone or computer is not used exclusively for work.

If you are entitled to claim occupancy expenses in relation to your home, you may have a capital gains tax (CGT) liability when you sell your home, due to the possible partial loss of the main residence exemption. The CGT issue arises when you are entitled to claim occupancy expenses, not whether you actually do claim them.

If you work from home but don't have a home office as such, you can still claim deductions for 'running expenses'. To simplify matters, the ATO allowed a rate of 80 cents per hour for running expenses incurred in the 2021–22 income year. Of course, you can still make a claim based on your actual running expenses if it produces a larger deduction. But remember that those expenses will need to be apportioned between work and private use and substantiation of the expenses you have incurred will be required.

Tip! If you have a home office, talk to your Blaze Acumen tax adviser about how to calculate your deduction and the records you must keep.

Company tax rate

The standard company tax rate is 30%.

The tax rate for the 2021–22 income year for companies whose aggregated annual turnover is under \$50 million and where no more than 80% of a company's assessable income is 'base rate entity passive income' (e.g. dividends, rent, interest, royalties and net capital gains) — called 'base rate entities' — is 25%. This is also the rate for the 2022–23 and later income years.

If more than 80% of a company's assessable income is 'base rate entity passive income', or the company's aggregated turnover is \$50 million or more, the company will be taxed at the standard 30% rate.

Small business tax offset

If you are a sole trader, an individual who is a partner in a business partnership or an individual who is a beneficiary of a trust that carries on a business, you may qualify for the small business tax offset if the business' aggregated turnover is less than \$5 million (yes, \$5 million and not the general \$10 million small business aggregated turnover threshold). The offset is not available to an individual acting as a trustee.

The offset for the 2021–22 income year (and also for the 2022–23 income year) is equal to 16% of the income tax payable on the sole trader's or other individual's taxable income that qualifies as their net small business income. The offset is capped at \$1,000.

Taxable payments annual report

Businesses that pay contractors or sub-contractors for certain services may need to lodge a taxable payments annual report (**TPAR**) with the ATO. These services are:

- building and construction services;
- cleaning services;
- courier or road freight services;
- IT services; and
- security, investigation, or surveillance services.

The TPAR for 2021–22 should have been lodged by 28 August 2022.



4. From the ATO

Claiming tax deductions

A business can generally claim a tax deduction for most expenses it incurs, as long as:

- the expense relates directly to earning the business' assessable income;
- only the business-use portion of an expense that's for a mix of business and private use is claimed;
- the business has records to substantiate the claims.

Note that apportionment of an expense that has a mix of business and private use is required only by sole traders and partnerships where at least one partner is an individual. If there is a non-business portion of an expense incurred by a company or a trust, the full expense is still claimed as an income tax deduction by the company or trust but the fringe benefits tax (FBT) rules or the rules in Division 7A may separately apply to the non-business use.

A business can claim deductions for:

- day-to-day operating expenses, such as office stationery and salaries and wages – salaries and wages are deductible only if the business complies with its PAYG withholding and reporting obligations;
- capital expenditure, such as machinery and equipment, which typically provide a long-term benefit. This expenditure can be depreciated over the term of the asset's effective life. Alternatively, the business may be able to claim an immediate deduction through temporary full expensing (available until 30 June 2023).

Business expenses may include motor vehicle, travel, legal, digital product and home-based business expenses, and items related to protecting staff from COVID-19 at work such as hand sanitiser and sneeze or cough guards.

A business can claim deductions for superannuation contributions made on behalf of employees.

Keep in mind some expenses are not deductible, such as private expenses, entertainment expenses (unless they are provided as a fringe benefit), traffic fines and expenses that relate to earning tax-free income. Taxpayers who carry on a business are required to keep complete records of expenses incurred throughout the income year.

Tip! Your Blaze Acumen tax adviser can help your business maximise its tax deductions.

Division 7A – unpaid present entitlements

The ATO has published its final view on how Division 7A (which taxes certain amounts as deemed dividends) applies to trust entitlements of private company beneficiaries, for entitlements arising on or after 1 July 2022.

Division 7A can apply to an unpaid trust entitlement if it results in a private company providing financial accommodation to its shareholders or their associates (including the trust). This can occur where a private company beneficiary is made presently entitled to trust income and either the:

- entitlement remains unpaid (an unpaid present entitlement) and the private company beneficiary knows it can demand payment but does not do so; or
- the trustee holds the income amount on a separate trust (sub-trust) for the sole benefit of the private company beneficiary, and the private company beneficiary knows that the sub-trust fund is being used by the private company beneficiary's shareholder or their associate.

In those circumstances, the private company is treated as having made a loan to the trust, or its shareholder or their associate (i.e. the trust or the entity using the income amount). If Division 7A applies, the loan will be treated as an unfranked dividend to the trustee of the trust, or that shareholder or associate.

Entitlements arising on or after 1 July 2022

No deemed dividend for the trust entitlement will arise if, before the earlier of when the private company's tax return is lodged or is due to be lodged, any of the following occur:

- trustee pays the private company its entitlement;
- the entity that uses the funds enters into a complying loan agreement with the private company; or
- the entity that uses the funds repays the funds in full (no interest is required to be charged in this case).

Entitlements that arose before 1 July 2022

Although the ATO has revised its views on the application of Division 7A to unpaid present entitlements, taxpayers can continue to rely on the ATO's previous views where trust entitlements arose before 1 July 2022. This including managing existing sub-trust arrangements where the trust entitlements arose before 1 July 2022.

Tip! If an unpaid present entitlement (or other amount) is treated as a Division 7A deemed dividend, there may be adverse tax consequences. Talk to your Blaze Acumen tax adviser if your private company is the beneficiary of a related trust.

SMSF – appointing an auditor

If you have a self-managed superannuation fund (**SMSF**), you need to appoint an approved SMSF auditor at least 45 days before the due date for lodging the 2021–22 SMSF annual return.

The role of an approved SMSF auditor is to review the SMSF's financial statements and accounts, and to assess its compliance with superannuation laws.

The auditor must be registered with ASIC and independent of the SMSF. You can find a list of approved SMSF auditors on the ASIC website.

The ATO recommends that you start the process of appointing an auditor early as approved SMSF auditors can be busy.

Tip! Speak to your Blaze Acumen tax adviser as soon as possible should you have any concerns in relation to your SMSF's auditor.

Foreign owners of residential property

If you are a foreign owner of residential property in Australia, you are required to pay an annual vacancy fee if your property is not residentially occupied or rented out for 183 or more days (6 months) in a year. A year for these purposes (a vacancy year) is each successive period of 12 months starting on the occupation day for the property during which you have continuously held an interest in the dwelling. A vacancy year is not a calendar year or a financial year.

The vacancy fee return must be lodged if you:

- made a foreign investment application for residential property after 7:30pm AEST on 9 May 2017;
- purchased under a New Dwelling Exemption Certificate that a developer applied for after 7:30pm AEST on 9 May 2017.

The vacancy fee may also apply if you failed to submit a foreign investment application but purchased a residential property before 9 May 2017.

You do not have to lodge a vacancy fee return until a dwelling has been constructed on the land. When multiple dwellings are constructed on the land, a vacancy fee return must be lodged for each new dwelling constructed.

You must lodge a return even when the dwelling has been occupied or made available for rent. If it is owned by 2 or more people as joint tenants, only one return has to be lodged. However, if it is owned by 2 or more people as tenants in common, each foreign owner must lodge a vacancy fee return.

A vacancy fee return must be lodged with the ATO within 30 days after the end of each vacancy year.

If any of the following occur during a vacancy year, you will not have to lodge a vacancy fee return:

- you sold the property or it was otherwise legally transferred (including on the death of the owner);
- you are no longer a foreign person.



5. Partnerships – assigning interests

If you operate your business through a partnership, you may assign your interest in the partnership to an individual or other entity (the assignee). The assignee may be an individual or an entity related to you. These assignments are commonly known as ‘Everett assignments’, after the taxpayer in a 1980 High Court case.

The effect of this type of assignment is that you hold your assigned partnership interest on trust for the assignee.

The assignment does not make the assignee a partner in the partnership or give the assignee any entitlement to the assets, management or administration of the partnership or the right to inspection of books and accounts.

The ATO has a new risk assessment framework for these arrangements (they are set out in a Practical Compliance Guideline). The risk assessment framework is available only to taxpayers if their arrangements are commercially sound and do not exhibit high risk features.

An arrangement may be high risk where:

- it purports to admit an individual, who is not an owner or equity holder in the partnership, as a partner of the partnership;
- a partner’s relationship with the partnership has characteristics indicating that the relationship is akin to a contractor or employee of the partnership.

The ATO also considers a partner undertaking an Everett assignment as high risk if they:

- do not have rights to full participation in management and the benefits of partnership;
- receive a fixed draw or salary when they have limited or no exposure to the risks and benefits associated with the performance of the partnership to that draw or salary;
- are indemnified by partners for any professional liability in respect of actions against the partnership.

If your Everett assignment has high risk features, the ATO is likely to give closer attention to the individual facts and circumstances of the arrangement. This includes a deeper consideration of whether anti-avoidance provisions, such as Part IVA, apply.

Small business CGT concessions

If a partnership interest is assigned, the small business CGT concessions are available only for capital gains arising from CGT events that relate to rights or interests that entitle an entity to income or capital of a partnership by making that entity a partner of the partnership.

Tip! Talk to your Blaze Acumen tax adviser if you are unsure whether your arrangement has high risk features.

The latest scam

The ATO is concerned about a high volume of SMS scams pretending to be from the ATO.

These scams tell you that you're owed an income tax repayment and ask you to click a hyperlink and complete a form.

Clicking the link takes you to a fake ATO webpage that asks for your personal identifying information, including your credit card details.

The real ATO will never send you an SMS with a link to log in to their online services and will never ask for your credit card details.

Tip! If you're ever unsure whether an SMS or email is really from the ATO, don't reply and contact your Blaze Acumen tax adviser who will be able to verify the veracity of the correspondence.

Check out the ACCC's [Scamwatch](#) website for helpful tips and resources.



6. Other information

Tendering for Commonwealth Government procurements?

Businesses tendering for Commonwealth Government procurements that are undertaken through open tenders are subject to the Commonwealth Procurement Rules. Where the procurement has an estimated total value of over \$4 million (including GST), the entity must obtain a statement of tax record (**STR**) showing satisfactory engagement with the tax system.

The satisfactory STR needs to be valid at the time of the tender closing.

The ATO recommends that entities requiring an STR:

- refer to the tender request documents to clarify the requirements;
- refer to the Black Economy Procurement Connected Policy to understand how the rules affect them (it is available on the Treasury website [here](#));
- apply for an STR early to allow time for processing before the tender closing date; and
- keep their tax obligations (registration, lodgment, payment) up to date, to ensure they receive a satisfactory STR.

Tip! Your Blaze Acumen tax adviser can help you apply for an STR.

JobMaker Hiring Credit

The seventh claim period for JobMaker Hiring Credit payments is now open; it ends on 31 October 2022. The scheme is now closed to new entrants.

Eligible businesses can claim the JobMaker Hiring Credit for up to a year for each eligible employee hired between 7 October 2020 and 6 October 2021.

If your business is eligible, you can:

- nominate your additional eligible employees – run payroll events through your Single Touch Payroll-enabled software;
- claim – use ATO online services, Online services for business or a registered tax or BAS agent.

Tip! Your Blaze Acumen tax adviser can help you claim the JobMaker Hiring Credit.

Healthcare practices and payroll tax

A recent NSW Tribunal decision, *Thomas and Naaz Pty Ltd (ACN 101 491 703) v Chief Commissioner of State Revenue* [2022] NSWCATAP 220, confirmed that payments from a healthcare practice, such as a medical centre, to a healthcare practitioner may attract payroll tax under the contractor provisions in the payroll tax legislation.

The taxpayer in the case operated three medical centres. The Tribunal concluded that where the services provided by the doctors were a necessary part of the taxpayer's business, the doctors provided them to the taxpayer as well as to the patients. This brought the payments within the scope of the payroll tax legislation.

The NSW decision followed the position taken by the Victorian Court of Appeal in 2019.

Tip! If your business is a medical centre or other healthcare practice, talk to your Blaze Acumen tax adviser about your potential payroll tax liability.



7. What's new? – income tax thresholds

Low and Middle Income tax offset

Don't forget that the Low- and Middle-Income tax offset (**LMITO**) is no longer available from the current income year (2022–23). The income year just ended (2021–22) was the last year for which LMITO was available, and the maximum amount was increased by \$420 to \$1,500. The maximum amount is available where the individual's taxable income ranges between \$48,001 and \$90,000 (inclusive). Above \$90,000, the LMITO phases out at the rate of 3 cents in the dollar until taxable income reaches \$125,000.

There is no need to claim this offset in your income tax return. The ATO applies it automatically to eligible taxpayers. Note that the LMITO is available only to reduce the amount of an individual's income tax liability. It is not a refundable amount and cannot be used to reduce any Medicare levy payable.

Tax thresholds and rates

Various tax thresholds and rates have increased for the 2022–23 income year. These are listed below.

Item	Threshold/rate from 1 July 2022
CGT improvements	\$162,899
Div 7A benchmark interest rate	4.77%
Car limit (depreciation)	\$64,741
Car expenses – cents per kilometre method	78 cents/km
Reasonable meal expenses – employee truck drivers	Breakfast – \$26.80 Lunch – \$30.60 Dinner – \$52.75
Reasonable meal expenses – other employees	See the tables in Taxation Determination TD 2022/10 (in the ATO's Legal Database)
Overtime meal allowance – reasonable amount	\$33.25
Luxury car tax – fuel efficient cars	\$84,916
Luxury car tax – other	\$71,849
Overtime meal allowance – reasonable amount	\$33.25
Invalid and invalid carer offset (IICTO)	\$2,943
Maximum adjusted taxable income where IICTO cuts out	\$12,054

Medicare levy surcharge and private health insurance tax offset

The income thresholds for Medicare levy surcharge and private health insurance (PHI) tax offset purposes (which have been frozen until 30 June 2023) are set out in the table below.

	No surcharge & maximum PHI tax offset	Tier 1	Tier 2	Tier 3
Singles	\$90,000 or less	\$90,001 – \$105,000	\$105,001 – \$140,000	\$140,000 or more
Families*	\$180,000 or less	\$180,001 – \$210,000	\$210,001 – \$280,000	\$280,001 or more

* The family income threshold is increased by \$1,500 for each dependent child after the first child.

The Medicare levy surcharge is 1% for Tier 1 taxpayers, 1.25% for Tier 2 taxpayers and 1.5% for Tier 3 taxpayers.

The PHI tax offset percentage is highest for Tier 1 taxpayers and lowest for Tier 3 taxpayers. The percentage also varies depending on the ages of the persons covered by the relevant health insurance policy. There are 3 age brackets – under 65, 65 to 69 and 70 or above.

HELP debt

The 2022–23 repayment rates and thresholds if you have a study or training loan, such as a Higher Education Loan Program (HELP), VET Student Loan (VSL) or Trade Support Loan (TSL) debt, are set out in the table below.

Repayment income	Repayment rate
Below \$48,361	Nil
\$48,361 – \$55,836	1.00%
\$55,837 – \$59,186	2.00%
\$59,187 – \$62,738	2.50%
\$62,739 – \$66,502	3.00%
\$66,503 – \$70,492	3.50%
\$70,493 – \$74,722	4.00%
\$74,723 – \$79,206	4.50%
\$79,207 – \$83,958	5.00%
\$83,959 – \$88,996	5.50%
\$88,997 – \$94,336	6.00%
\$94,337 – \$99,996	6.50%
\$99,997 – \$105,996	7.00%
\$105,997 – \$112,355	7.50%
\$112,356 – \$119,097	8.00%

\$119,098 – \$126,243	8.50%
\$126,244 – \$133,818	9.00%
\$133,819 – \$141,847	9.50%
\$141,848 and above	10%

Employee share schemes

The cessation of employment as a taxing point for ESS interests that are subject to deferred taxation has been removed with effect from 1 July 2022.

Super and ETP thresholds

The superannuation and ETP (employment termination payment) thresholds for the 2022–23 income year are listed below.

	2022–23
Concessional contributions cap for individuals aged under 75 years*	\$27,500
Concessional contributions cap for individuals aged 75+ years	Only mandated employer contributions including superannuation guarantee contributions
Non-concessional contributions cap*	\$110,000
CGT cap amount	\$1,650,000
Low rate cap amount/ETP cap amount	\$230,000
Untaxed plan cap amount	\$1,650,000
ETP life benefit cap amount	\$230,000
ETP life benefit whole of income cap amount	\$180,000
ETP death benefit cap amount	\$230,000
Genuine redundancy/early retirement scheme payment	
- tax-free base limit	\$11,591
- each completed year of service	\$5,797
Co-contribution lower income threshold	\$42,016
Co-contribution upper income threshold	\$57,016

* The work test for salary sacrificed contributions and non-concessional contributions by persons aged under 75 years was abolished from 1 July 2022.

Pensions and annuities – minimum drawdown amounts

The 50% reduction in the minimum drawdown amounts has been extended to the 2022–23 financial year. These are the minimum annual payments required for account-based pensions and annuities, allocated pensions and annuities and market-linked pensions and annuities.

Age	Minimum drawdown (indicative only)
Under 65	2%
65–74	2.5%
75–79	3%
80–84	3.5%
85–89	4.5%
90–94	5.5%
95+	7%

If you receive more than the minimum drawdown amount, you can recontribute these amounts if you are eligible to make superannuation contributions (subject to other rules or limits such as contributions caps).

Superannuation changes from 1 July 2022

A number of superannuation changes took effect on 1 July 2022, including:

- employees earning less than \$450 a month are now entitled to superannuation guarantee support from their employers;
- the rate of superannuation guarantee increased from 10% to 10.5%;
- the work test for non-concessional and salary sacrificed super contributions for persons aged 67–74 years has been removed (the work test still applies for those aged 67–74 years claiming a deduction for personal super contributions);
- the bring forward rule for non-concessional contributions has been extended to persons aged 67–74 years;
- the eligibility age for making downsizer contributions has been reduced from 65 to 60 years;
- the maximum amount of voluntary superannuation contributions that can be released under the First Home Super Saver Scheme has been increased from \$30,000 to \$50,000.

COVID-19 early release of superannuation

If you accessed your superannuation early in response to the COVID-19 pandemic, you can choose to re-contribute those amounts by 30 June 2030 without them counting towards your non-concessional contributions cap. The choice must be made in the approved form and given to your superannuation fund before you make the re-contribution.

Superannuation accessed early is tax-free (treated as non-assessable non-exempt income).



8. COVID-19 payments

If you received a COVID-19 disaster payment during 2021–22, because state or territory health orders prevented you from working in your usual employment:

- that payment is exempt from income tax; and
- you do not include the payment in your tax return.

If you received a pandemic leave disaster payment during 2021–22, you must include it in your tax return as income. These payments were made to eligible individuals who were unable to earn income because either:

- they had to self-isolate or quarantine at home; or
- they were caring for someone with COVID-19.

Deductions for work-related quarantining

Expenses for accommodation, food and drink are normally private in nature and not deductible. However, you can claim a deduction for accommodation, food, drink and incidental expenses you incur if you are 'travelling on work' during COVID-19 and must quarantine.

You cannot claim a deduction for quarantine expenses you incur when you:

- travel to or from a work location and need to quarantine; or
- need to quarantine for another purpose (for example, returning from a private holiday), even if you can work from the quarantine location.

The fact you were working or are able to work from a quarantine location doesn't mean you meet the definition of 'travelling on work'.

If you incur expenses for both work purposes and private purposes, you will need to apportion your expenses. You can only claim the expenses that relate to your work activities.

Deductions for COVID-19 tests

You can claim a deduction for costs you incurred for COVID-19 test expenses provided the test was undertaken for a work-related purpose, and the purpose of the test was to determine whether you could attend or remain at a place of work. The test can be any test in the Australian Register of Therapeutic Goods, such as a polymerase chain reaction (**PCR**) test or rapid antigen test (**RAT**).

To claim a deduction, you must have records to prove that:

- you incurred the cost (usually a receipt); and
- the cost of the test was incurred in gaining or producing your assessable income
- the purpose of the test was to determine whether you could attend or remain at a place of work.

You can also claim a deduction for the cost of a COVID-19 test if you required the test to undertake travel away from your home overnight for work purposes.

You should claim only the work-related portion of your expense on COVID-19 tests. For example, if you buy a multipack of 5 COVID-19 tests and you use 2 for work purposes and the other 3 for non-work purposes – such as for other family members or for leisure activities – you may claim only $\frac{2}{5}$ (40%) of the expense.

You can't claim a deduction for the cost of a COVID-19 test if:

- you used the test for private purposes, for example to test your children before they returned to school;
- you worked from home and did not intend to attend your workplace; or
- your employer provided the test or you were reimbursed for the cost of the test.

You can't claim the cost of travelling, or of parking, to get a COVID-19 test.

Tip! Talk to your Blaze Acumen tax adviser to make sure you claim all deductions that you or your business are entitled to claim.



9. Key tax dates

Date	Obligation
21 Sept 2022	August monthly BAS due
30 Sep 2022	Finalisation due date by payers of PAYG withholding payments reporting through STP for closely held payees (excepting those with only closely held payees)
21 Oct 2022	September monthly BAS due Payment of annual PAYG instalment for 2021–22
28 Oct 2022	Payment of first PAYG instalment for 2022–23 by quarterly payers
31 Oct 2022	PAYG withholding annual reports due (no ABN withholding; interest, dividend and royalty payments paid to foreign residents; and payments to foreign residents)
21 Nov 2022	October monthly BAS due
25 Nov 2022	September quarter BAS due

* To be eligible for the concessional due date the Company or Super fund must have been non-taxable or received a credit assessment in the latest year lodged and are non-taxable or receiving a credit assessment in the current year.

** All Individual, Partnership and Trust Tax Returns are eligible for the concessional due date provided that any payment required is also made by this date.

DISCLAIMER

The content of this newsletter does not constitute specific advice. Readers are encouraged to consult their Blaze Acumen tax adviser for advice on specific matters.