

# BG SUPER TAX ACCOUNTING

**Perth office** 3/144 Canna Drive Canning Vale WA 6155

Mob: 61 423 330 144 PH: +618 9455 5005 Fax: +618 6102 1754

**Mandurah Office:** 38 Dower Street, Mandurah WA 6210 Mob: 0449 841 840

## BG Super Tax Update

*Please read this update  
and contact this office  
if you have any queries*

**DECEMBER 2024**

### Taxpayer's claims for various 'home business' expenses rejected

In a recent decision, a taxpayer's claims for various work-related expenses were rejected by the AAT.

The taxpayer was employed as a traffic controller in the 2020 income year. In his income tax return for that year he claimed \$9,800 in work-related deductions, including for car expenses (using the cents per km method), travel expenses, clothing expenses and self-education expenses, as well as supplemental deductions.

The ATO disallowed all of the deductions, and the taxpayer then appealed to the AAT.

The AAT agreed that all of the taxpayer's claims for work-related expenses should be disallowed, largely because the taxpayer failed to substantiate these expenses, whether by way of receipts/bank statements or any other form of evidence.

Also, in relation to the claim for car expenses, the AAT noted that the taxpayer had been using company vehicles at least some of the time.

The AAT also noted that there had generally been *"no attempt to apportion work use against private use. . . Even if I could satisfy myself of some apportionment, the amount would likely be so insignificant that it would not result in any real deduction in taxable income."*

### Eligibility for compassionate release of superannuation

The ATO has been responsible for the administration of the early release of

superannuation on compassionate grounds since 1 July 2018.

It will only approve a release of superannuation on compassionate grounds if the applicant meets all the conditions set out in the regulations, including that the applicant has no other means to pay the expenses.

The five main grounds of eligibility are:

- ◆ medical treatment or transport (i.e., to treat a life-threatening illness or injury, or alleviate acute or chronic pain or mental illness) for the applicant or their dependant;
- ◆ accommodating a disability for the applicant or their dependant;
- ◆ palliative care for a terminal illness for the applicant or their dependant;
- ◆ funeral expenses for a dependant of the applicant; or
- ◆ preventing foreclosure or forced sale of the applicant's home.

### ATO's notice of government payments data-matching program

The ATO will acquire government payments data from government entities which administer government programs for the 2024 to 2026 income years, matching data on government payments made to service providers against ATO records, including service provider identification details and payment transaction details.

The ATO estimates that records relating to approximately 60,000 service providers will be obtained each financial year, including approximately 9,000 individuals, with the remainder consisting of companies, partnerships, trusts and government entities.

## ATO security safeguards for victims of fraud recently enhanced

Where a taxpayer has been the victim of identity, tax or super fraud, the ATO may apply security safeguards to their account to prevent further harm. This may require the impacted taxpayer to contact the ATO each time they need to access their information and cause inconvenience for the taxpayer as well as their tax agents.

The ATO has recently enhanced processes to improve ongoing access to ATO online services. Impacted taxpayers must contact the ATO for initial access and then set a **Strong** online access strength.

To set a **Strong** online access strength, taxpayers need to:

- ◆ set up their myGovID to a **Strong** identity strength using their Australian passport;
- ◆ connect their myGovID to their myGov account;
- ◆ sign in to myGov with their myGovID; and
- ◆ go to ATO online services.

Once set, taxpayers no longer need to contact the ATO every time they access their information.

Impacted taxpayers must continue to use their **Strong** myGovID whenever they access ATO online services, or account access will be restricted to maintain ongoing protection of client information.

## Reminder of December 2024 Quarter Superannuation Guarantee ('SG')

Employers are reminded that employee superannuation contributions for the quarter ending 31 December 2024 must be received by the relevant super funds by 28 January 2025. If the correct amount of SG is not paid by an employer on time, they will be liable to pay the SG charge, which includes a penalty and interest component.

The SG rate is 11.5% for the 2025 income year.

## ATO's tips for small businesses to 'get it right'

While the ATO knows most small businesses try to report correctly, it understands that mistakes can happen. The ATO advises taxpayers that it is important to get the following 'basics' right:

- ❑ using digital tools and business software to help track and streamline processes to increase the efficiency of their business;
- ❑ keeping accurate and complete records, which will help taxpayers meet their tax and super obligations and make lodging easier; and
- ❑ getting the right advice from trusted resources such as their registered tax professional or the ATO's website, which can help taxpayers navigate change and uncertainty at any stage of the business life cycle.

---

## SMSFs cannot be used for self benefits

SMSF members who illegally access their benefits may be liable for additional income tax and administrative penalties, and they could be disqualified as a trustee.

For taxpayers who have illegally accessed their super, returning it to the fund may be considered a new contribution. Depending on their contribution caps, this may result in additional tax on excess contributions.

Taxpayers should beware of people promoting 'early access schemes' to withdraw their super early (other than by legal means).

They can protect themselves from promoters of such schemes by:

- ◆ stopping any involvement with the scheme, organisation or person who approached them;
- ◆ not signing any documents, and not providing any of their personal details such as their tax file number; and
- ◆ making a 'tip-off' to the ATO online or by phoning the ATO on **13 10 20**.

*Please note: 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.*