

## Client eBrief



Institute of Certified Bookkeepers  
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## ATO Lodgement Dates

### ATO Accepts Pre-Payment of Tax Bills

#### Tax Pre-Payment

A pre-payment is a payment made in advance for an expected tax bill. A business can make pre-payments at any time to make it easier to manage its tax. Some tax liabilities qualify for early payment interest when the payment is made more than 14 days before the due date. If you are eligible for interest on early payments, you can calculate how much they should receive using the credit for interest on early payments calculator.

Any payments made towards tax liabilities before they are due will remain on the integrated client account unless you request a refund. If a business has a tax debt, pre-payments may be used to offset against it.

To assist you in making regular pre-payments, we can estimate the amount to pay by using the ATO online tools and calculators. Voluntary payments can be made using any payment method - Bpay, credit card, direct credit, direct debit, cheque or in person at Australia Post outlets.

#### Early Payment of Tax

A tax payment made for certain tax debts (as set out below) will qualify for early payment interest if the payment is made more than 14 days before the due date. Early payment interest is payable on the following:

- Income tax (including Medicare levy and Medicare levy surcharge)
- Compulsory Higher Education Loan Program (HELP) repayment amounts
- Student Financial Supplement Scheme assessment debts
- Interest on distributions from non-resident trust estates
- Income tax penalties for late lodgement of returns in the 1999–2000 and earlier income years
- A general interest charge relating to a late tax return for the 1999–2000 and earlier income years
- A general interest charge on increase in tax payable resulting from an amended assessment for the 1999–2000 and earlier income years
- A shortfall interest charge

These dates are from the ATO website and do not take into account possible extensions.

You remain responsible for ensuring that the necessary information is with us in time.

**BAS/IAS Monthly Lodgement**  
– January Activity  
Statement: 21<sup>st</sup> February,  
2016 final date for lodgement  
and payment..

**BAS/IAS Monthly Lodgement**  
– February Activity  
Statement: 21<sup>st</sup> March,  
2016 final date for lodgement  
and payment.

**BAS/IAS Monthly Lodgement**  
– March Activity  
Statement: 21<sup>st</sup> April,  
2016 final date for lodgement  
and payment.

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**2nd Quarter of FY 2016: BAS  
Lodgement –  
December Quarter 2015  
(including PAYGI) 28th  
February, 2016 final date for  
lodgement & payment**

**3rd Quarter of FY 2016: BAS  
Lodgement – March Quarter  
2016 (including PAYGI) 28th  
April, 2016 final date for  
lodgement & payment**

When a due date falls on a Saturday, Sunday or Public Holiday, you can lodge or pay on the next business day.

A public holiday is a day that is a public holiday for the whole of any state or territory in Australia.

The following payments do not attract early payment interest:

- Pay as you go (PAYG) withholding amounts including
- amounts withheld from interest, dividends and royalties
- amounts withheld by payers (including those withheld for the purpose of repaying contributions or debts under HECS-HELP)
- PAYG instalments
- Any part of a payment that exceeds the amount that is due and payable
- Activity statement payments

### How to Claim Your Interest on Early Payment

There are two ways to claim any credit interest. You can claim it as a credit on your tax return (supplementary section) for the income year in which the entitlement to the interest arises, (if it is 50 cents or more); to do this you will need to calculate the amount of your entitlement. You can also write to the ATO requesting payment of the interest; the interest will not be paid until after the due date for payment of the relevant tax liability.

A credit for early payment interest may not be claimed if the entity is also entitled to claim interest on overpayment on that early payment.

### How to Work out the Period of Which Interest is Payable

For most taxpayers, interest is payable from the later of the date of issue of the tax liability notice or the date payment is made. Interest is payable up to and including the due date for payment, but only up to the value of the tax bill.

More detail and examples are available at the ATO - Early Payment of Tax.

### Related References

- [ATO – Credit for Interest on Early Payments Calculator](#)
- [ATO – Early Payment of Tax](#)
- [ATO – How Much You Owe and When to Pay](#)

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Due date for super guarantee contributions, for:  
**2nd Quarter of FY 2016**,  
October to December 2015 -  
contributions to be made to the  
fund by 28th January, 2015.  
**3rd Quarter of FY 2016**,  
January to March 2016 -  
contributions to be made to the  
fund by 28th April, 2015.

The super guarantee charge is  
not a tax deduction if not paid  
by these dates.

Refer to the ATO for details  
regarding any SGC charges  
applicable if not paid by due  
date.



## Single Touch Payroll is Back on the Agenda

### Single Touch Payroll Reporting

(Update: 15th December, 2015)

Modified 23rd December due to Ministers Media Release

**ICB Summary:** The Mid Year Economic and Fiscal Outlook (MYEFO) from government recommitted the government and the tax office to making STP real. This has been further supported and explained by Media Release on 22nd December, 2015.

**New:** It will not be compulsory for small business (< 20 employees), for now. Although dates are vague we suggest not until a date after July 2018.

(reduction in your tax bill) of \$100 in the 2017-18 year, if you buy software or pay a software subscription.

**New:** If a business with turnover of below \$2m chooses to adopt STP, the Government will provide a tax offset (reduction in your tax bill) of \$100 in the 2017-18 year, if you buy software or pay a software subscription.

**Update:** It is compulsory for employers with more than 20 employees from 1st July, 2018

The MYEFO statement did not change any concepts known about how it will work ie

- report every payrun
- option to pay every pay run
- allegedly will simplify Tax File Number Declaration process
- allegedly will simplify SuperChoice election of fund process
- allegedly will simplify the end of year payment summary process
- enhance superannuation compliance as the ATO will know whether super has been paid or not

ICB continue to support the Single Touch Payroll initiative and look forward to an efficient business process built into all our common payroll software to enable an easy system and easy compliance. The devil in the detail is yet to be developed.

### **Extract From the MYEFO Papers**

The Government will simplify the reporting by employers of their Pay As You Go (PAYG) withholding obligations and superannuation contributions by progressively implementing Single Touch Payroll (STP).

Under STP, employers will automatically report individual employee payroll information to the Australian Taxation Office (ATO) using their business management software. STP will also introduce reporting of superannuation contributions information to the ATO when payments are made to super funds. Employers will have the option to pay their PAYG withholding at the same time they pay their staff.

The government will introduce streamlined processes for individuals commencing employment. Individuals will have the option of completing their Tax File Number Declaration and Superannuation Standard Choice forms using myGov or through their employer's business management software.

This measure will be phased in as follows:

- from January 2017, there will be a voluntary pilot of STP. The pilot will focus on, but is not limited to, targeted small and medium enterprises;
- from July 2017, all businesses may commence STP reporting, with the option to make voluntary payments. In addition, the ATO will commence transitioning employers with 20 or more employees to STP; and
- from 1 July 2018, employers with 20 or more employees will be required to use STP enabled software for reporting to the ATO.

To assist small business that wish to take advantage of the benefits of STP, the government will provide businesses with a turnover of less than \$2 million with a \$100 non-refundable tax offset for expenditure on Standard Business Reporting (SBR) enabled software. This offset will apply from 1 July 2017, and will be available for software purchases or subscriptions made in the 2017-18 financial year only. This measure is estimated to have a gain to revenue of \$267.4 million over the forward estimates period. The Government will provide \$189.0 million to the ATO to implement this measure.

### **ICB Comment**

We observe the paper stating that somehow Single Touch Payroll is going to raise \$267.4m of revenue for the government. We can only presume this is because the level of compliance by employers will increase.

Disclaimer: All or any advice contained in this newsletter is of a general nature only and may not apply to your individual business circumstances. For specific advice relating to your specific situation, please contact your accountant or contact me for further discussion.

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