



THE INSTITUTE
OF CERTIFIED
BOOKKEEPERS



ATO Approach to Business - Their Strategy

Help for small business

The ATO are committed to making it as easy as possible for all small businesses to understand and meet their tax obligations.

The ATO have an extensive and dedicated focus on:

- education, prevention and support
- delivering new tools to make things easier
- providing personalised information
- providing customised support for small business when they need it.

The ATO are transforming their culture to focus on client service and early intervention, to improve the experience of small businesses when dealing with them.

Using technology to enhance interactions

Sole traders can access ATO online services through their myGov account or voice authentication on any device to:

- manage activity statements and PAYG instalments
- manage accounts
- make payment arrangements and more.

Sole traders can also use myGov to lodge their tax return. Businesses with an AUSKey or a linked myGov account that use Manage ABN Connections, can access the Business Portal to:

- prepare and lodge activity statements and annual reports
- manage accounts
- update registration details.

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 Lodgements

Final dates for lodgements and payments:

April Activity Statement
21 May 2019

May Activity Statement
21 June 2019

June Activity Statement
21 July 2019

BAS Quarterly Lodgements

Final dates for lodgements and payments:

3rd Quarter 2019 Financial Year:

March Quarter 2019 (incl. PAYGI)
28 April, 2019

4th Quarter 2019 Financial Year:

June Quarter 2019 (incl. PAYGI)
28 July, 2019

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

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

Due date for super guarantee contributions:

3rd Quarter 2019 Financial Year:

January to March 2019 – contributions must be **in the fund** by 28 April, 2019

4th Quarter 2019 Financial Year:

April to June 2019 – contributions must be **in the fund** by 28 July, 2019

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.

The ATO app

Small business owners with simple tax affairs can use the ATO app to:

- manage tax obligations
- set reminders for key dates
- keep track of business income and expenses using the myDeductions tool
- compare performance against similar businesses with the Business Performance Check.

The app – already downloaded over 1.8 million times – includes a range of easy-to-use online tools, such as the tax withheld calculator and ABN Lookup.

Support when and how you need it

The ATO are there to help. They offer free and tailored support services to keep small businesses on track or help them get back on track. The ATO have also rolled out training for their frontline staff to assist them to better understand clients who are struggling with mental health issues or unexpected life circumstances.

As well as the information, services and tools the ATO provide to assist running a small business, they also focus on early engagement and support for those who need extra help to understand their obligations, increase their confidence and build judgment to be a successful and viable small business.

The ATO take an evidence-based approach and work with small businesses and their intermediaries. The ATO deliver face-to-face workshops and webinars to small business. They show small businesses how to engage with the ATO digitally and use their digital offer to help build their cash flow, business management, tax and super understanding. Workshop topics include tax essentials, record keeping, planning your regular financial commitments and employer essentials, while webinar topics may be narrower in focus.

The ATO strategy indicates that they are deeply committed to improving tax administration for practitioners and this is genuinely pleasing for the BAS agent and Bookkeeping community.



Single Touch Payroll for Employers

The Single Touch Payroll (STP) is law and applies to all employers. You must report or engage with the ATO.

Who?

1. All employers must participate.
 - “substantial” employers, (20 or more employees by headcount), on or before 1 July 2019
 - Their transition year is over. You must be reporting or granted a specific deferral
 - All other employers
 - Must be reporting or granted a deferral before 30 September 2019
 - Transition year until 30 June 2020
 - ATO Approach is that no penalties will apply in the first year
2. Micro (1-4 employees) and disconnected employer concessions
 - The law still applies requiring you to enter STP by 30 September 2019.
 - ATO approach is that there will be a year of no penalties.
 - Quarterly reporting by your Agent in alignment with your BAS lodgement is an option.
 - Low cost payroll solutions are available.
3. Anyone can elect to enter STP earlier than required

It is about reporting your Payroll, it is NOT about paying earlier.

What?

You submit payroll and superannuation data to the ATO each “PayEvent”. This could be weekly, fortnightly, monthly or whenever you pay.

A PayEvent is each time you pay someone and you should be generating a pay slip. Some of the data on the pay slip is now sent to the ATO:

- The year-to-date totals of gross wages, allowances, deductions and gross tax for each employee being paid.
- The year to date amount of Superannuation that has been accrued. The Superannuation Guarantee must be reported, other super can be reported.

You will also report the W1 Gross Wages & W2 Gross Tax for each payrun (so that the ATO will eventually prefill these totals for the BAS period onto the BAS for employers who also report W1 & W2 on the BAS).

Superannuation payment information is going to be sent to the ATO by the SuperFunds. This information will be used by the ATO to check you are paying.

How?

Your payroll software should do it all for you.

It is a substantial change such that your software will need to control what is reported when and in what form. We recommend that you embrace payroll software and bring your system up to date to include STP reporting.

Quarterly reporting by your Agent is an option if you do not have appropriate computer systems or internet connection.

When?

Over 100,000 employers are already reporting to the ATO using STP.

Substantial employers should be providing STP information before 1 July, 2019.

Other employers should commence STP reporting before 30 September, 2019.

Any employer can enter STP as soon as they are able.

Why?

- The ATO will gain greater visibility of all employers, enabling earlier activity to ensure the employer is paying their PAYGW and their SGC.
- The employer will no longer be required to provide payment summaries to their employees. The ATO will provide them or the employee can obtain them through myGov or their Agent.
- The ATO will prefill tax returns with the payroll information.
- The ATO will make the payroll information available to employees all year through myGov.

What is the impact?

STP means that your payroll system employee information (names, addresses, date of birth, TFN) needs to be accurate and complete all year.

Each payrun triggers the requirement to report to the ATO which enhances the requirement for someone to correctly authorise that the pay information is true and correct and able to be lodged.

What you need to do!

Employers should streamline their payroll process by utilising a software solution.

Establish the payroll system, or adopt STP reporting through your software. Certified Bookkeepers have been implementing STP reporting for employers since July 2018 and are trained, resourced and supported to assist employers.

Future of STP

The ATO will streamline the process for a new employee by automating the Tax File Number Declaration and SuperChoice form into payroll software and myGov.

Note: The employer's payroll records are always the "source of truth". Therefore, any amendments to past pays, or any fixes required are updated in the employer's systems and records. At the next PayEvent the ATO will receive the updated YTD information. There is no need to go back and amend past PayEvents.

The employer will still have to "finalise" a payroll year by indicating to the ATO that the information they are now being sent is the final version and can be used for tax returns.

Phase 2 of STP includes payroll data interacting with other government departments.

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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