

December 2018



Merry Christmas!

From all the team at Martel Wheatley, we wish you and your family the warmest of Christmas wishes.

Our office will be closed from 12:30pm on Friday 21 December 2018. We will reopen 8:30am Monday 7 January 2019.

Let us do your payroll!

Payroll is becoming more complicated with the introduction of single touch payroll, the penalties for late reporting are also becoming bigger.

Clients have been asking us for some time to manage their payroll and now we can! If you are very busy and have no time to get across the details of these changes, we can do it for you. Our payroll services are provided locally and our office does the whole process, nothing done overseas by people you don't know.

The process is quite simple, your employees can complete their timesheets via an app on their smart phone, which is linked to the software we will use to prepare the pay slips and send to you for review. With your permission, we can prepare the information for your bank to process the payments.



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.

FAQ: Can my business claim a tax deduction for our work Christmas party?

Generally no.

Benefits provided under \$300 per person are not subject to FBT and are also not deductible.

No tax deduction if you don't meet your wages withholding obligations!

If a business does not meet its PAYG withholding tax obligations from **1 July 2019**, it will not be able to claim a tax deduction for wages paid.

In the event of a genuine mistake a deduction will still be allowed if the business voluntarily correction.

In these circumstances, a deduction may still be available but penalties may still apply.

TEXT MESSAGES – now for appointments!

We are currently trialling a new text message service to remind clients about their upcoming appointments with Martel Wheatley.

Are you in the road freight, IT, security investigation or surveillance business?

The Taxable Payments Reporting system was introduced to stem the flow of cash payments to contractors and rampant under reporting of income. Since the building and construction industry was first targeted in 2012, the reporting system has expanded to include cleaning and courier services. Now, a broader set of industries have been targeted.

If you have an ABN, and are in road freight, IT or security, investigation or surveillance, then any payments you make to contractors will need to be reported to the Australian Tax Office (ATO).

Be careful here as the definition of these industries is very broad. For example, 'investigation or surveillance' includes locksmiths. The definition covers services that provide "protection from, or measures taken against, injury, damage, espionage, theft, infiltration, sabotage or the like."

IT services are the provision of "expertise in relation to computer hardware or software to meet the needs of a client." This includes software installation, web design, computer facilities management, software simulation and testing. It does not include the sale of software or lease of hardware.

Road freight is typically goods transported in bulk using large vehicles. This includes services such as log haulage, road freight forwarding, taxi trucks, furniture removal, and road vehicle towing. The addition of road freight to the taxable payments reporting system completes the coverage of delivery and logistics services as businesses in courier services are already obliged to report payments to contractors to the ATO.

If your business is impacted by these changes, you need to document the ABN, name and address, and gross amount paid to contractors from 1 July 2019. Your first report to the ATO, the Taxable Payments Annual Report (TPAR), is due by 28 August 2020. This might seem like a long way away but it will come around quickly and you need to ensure that your systems are in place to manage the reporting required easily and accurately.

Who needs to report?

The obligation to report contractor payments to the ATO is already quite broad. The addition of road freight, IT or security, or investigation or surveillance services, adds another layer.

Service	Reporting of contractor payments
Building and construction services	From 1 July 2012
Cleaning services	From 1 July 2018
Courier services	From 1 July 2018
Road freight, IT or security, or investigation or surveillance services	From 1 July 2019

For businesses providing mixed services, if 10% or more of your GST turnover is made up of affected services, then you will need to report the contractor payments to the ATO.

If your business falls within these categories we recommend using a software that has taxable payments annual reporting functions. If you are unsure if these changes include your business or want to enquire about some new software, contact our office on 02 6813 0799.



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