

September 2017

TaxTalk Monthly

Keeping you up to date on the latest Australian and international tax developments



Corporate Tax Update

Update on the Senate Inquiry into Corporate Tax Avoidance

The [Senate Economics References Committee Inquiry on Corporate Tax Avoidance](#) held a [public hearing](#) on 22 August 2017, which included attendees from various large technology companies, the Australian Accounting Standards Board and the Australian Taxation Office (ATO).

In a [joint media release](#), the Federal Treasurer, the Hon Scott Morrison MP, and Minister for Revenue and Financial Services, the Hon Kelly O'Dwyer MP, noted evidence given by the Commissioner of Taxation, Chris Jordan AO, before the committee, including:

- ATO's audits and reviews of well-known multinationals and large Australian groups raised over AUD4 billion in assessments last year with nearly AUD3 billion of this amount levied on seven large multinationals.

- Of the AUD4 billion in extra tax raised last year, around AUD1 billion was as a result of assessments on e-commerce companies.

Opposition propose to bring more companies into corporate tax transparency rules

Federal Opposition Senator Katy Gallagher has introduced a private member's bill into the Senate - [Taxation Administration Amendment \(Corporate Tax Entity Information\) Bill 2017](#) - which proposes to amend the current tax transparency law requiring the Commissioner of Taxation to publish the tax information of certain companies. The Opposition proposes to align the total income threshold applicable to Australian-owned private corporate tax entities with that of all other corporate tax entities. The amendment would lower the current threshold of AUD200 million to AUD100 million.

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Employment Taxes Update

Payroll tax grouping for discretionary trusts (NSW)

In *Chief Commissioner of State Revenue v Smeaton Grange Holdings Pty Ltd [2017] NSWCA 184*, the Supreme Court of New South Wales – Court of Appeal (Court of Appeal) set aside an earlier decision of the Supreme Court in a case concerning the application of payroll tax grouping provisions to discretionary trusts. In the previous decision, the Supreme Court held that relevant entities were not part of a group for payroll tax purposes as a beneficiary of the discretionary trusts in question had retrospectively disclaimed their interest in the trusts. Therefore, the companies were found to no longer be under common control.

The Court of Appeal held that:

- The existence and composition of the payroll tax group was to be made by reference to the legal relationships that existed at the time the liability to payroll tax arose.
- The disclaimer could not retrospectively alter the joint and several liability of the group members at the time the payroll tax liability arose, as it was not in place at the date the liability to payroll tax arose under the *Payroll Tax Act 2007 (NSW)* (seven days after the end of the relevant months or 21 days after the end of the relevant financial years).

As such, the relevant entities were found to be part of a payroll tax group, and each member of the group was jointly and severally liable for the payroll tax liabilities of other members of the group.

Change to the ATO's practical compliance approach for superannuation guarantee

The Australian Taxation Office (ATO) has recently updated its [online guidance](#) for employers in relation to underpayments of superannuation guarantee (SG) to employees. Under the changes, employers with a good compliance history will no longer be able to resolve any SG underpayments by making late payments directly into employee superannuation fund accounts. Instead, all employers will need to engage with the ATO and complete a Superannuation Guarantee Charge

(SGC) Statement in relation to any SG underpayments that are identified.

Superannuation guarantee health checklist

The ATO is seeking feedback on the [superannuation guarantee \(SG\) health checklist](#), which outlines essential questions employers need to answer when meeting their superannuation obligations. Feedback can be provided via the ATO's [Let's Talk website](#).

PwC submission on ATO's draft ruling on travel expenses

PwC has made a submission in relation to draft ruling [TR 2017/D6](#), which provides the Commissioner of Taxation's preliminary view of when employees' travel expenses are, or would otherwise be, deductible for income tax and 'otherwise deductible' for Fringe Benefit Tax (FBT) purposes. Our submission acknowledges that, although [TR 2017/D6](#) provides a range of modern day examples, there are a number of areas where further guidance would provide greater clarity regarding tax treatment for the travel expenses of employees, especially for mobile employees. For further insight into the ATO's draft ruling, refer to PwC Australia's [TaxTalk Alert](#).

Setting the record straight on Single Touch Payroll

The ATO has released [additional commentary](#) in response to media coverage about the implementation of [Single Touch Payroll](#). The commentary relates to proposed changes to the process where an employee starts a job.

Director Penalty Notices for underpaid employee obligations

In *Deputy Commissioner of Taxation v Arora [2017] NSWSC 1016*, the Supreme Court of NSW (the Court) found for the Commissioner and upheld Director Penalty Notices issued for penalties relating to underpaid PAYG Withholding and Superannuation Guarantee Charges. The Court ruled the defendant failed to substantiate any of the defences available in s269-35 of Schedule 1 of the

Taxation Administration Act 1953. The taxpayer had raised a number of possible defences including illness, and the expectation that the outstanding employee obligations would be met through either the liquidation of the company or by the purchaser of the businesses. However, the Court ultimately

found these defences did not impact the application of the Director Penalty Notice provisions to the Director.

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Global Tax Update

Latest news from international tax and transfer pricing

Australian Parliamentary Inquiry into Multilateral Instrument

The Australian Federal Parliamentary Joint Standing Committee on Treaties (the Committee) has commenced an [inquiry](#) into the *Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting* (MLI). The MLI gives effect to the tax treaty recommendations contained in the Organisation of Economic Co-operation and Development (OECD)/G20 Base Erosion and Profit Shifting (BEPS) Reports published on 5 October 2015.

As part of the Inquiry, the Committee has released a [National Interest Analysis](#) which sets out comments regarding the application date of the MLI. Specifically, it notes the date on which the provisions of the proposed MLI takes effect to modify Australia's affected bilateral tax treaties will vary. Timing is contingent upon completion by other treaty parties of their domestic processes for ratification. The earliest dates on which the provisions of the MLI could take effect in Australia are:

- In respect of withholding taxes, on income derived on or after 1 January 2019.
- In respect of all other taxes, for income years commencing on or after 1 July 2019.
- In respect of the mutual agreement procedure (Article 16) and mandatory binding arbitration (Articles 18 to 26), generally after the proposed treaty enters into force for each of the parties.

Following its entry into force, the MLI will modify those bilateral tax treaties that have been notified as 'Covered Tax Agreements' by both Australia and bilateral tax treaty partners that are parties to the MLI.

The Committee, which has invited submissions by 8 September 2017, is due to table its report by 6 December 2017.

No further appeal in major transfer pricing decision

The taxpayer has discontinued its application for special leave to appeal to the High Court against the decision of the Full Federal Court in [Chevron Australia Holdings Pty Ltd v Commissioner of](#)

[Taxation \[2017\] FCAFC 62](#). In this case, the Full Federal Court found for the Commissioner in relation to the arm's length pricing on an intra-group, cross-border debt under the transfer pricing provisions. Refer to the [May edition of TaxTalk Monthly](#) for a background of the Full Federal Court's decision.

In the Government's [response](#) to the withdrawn appeal, it states initial estimates of the Australian Taxation Office (ATO) are that the Chevron decision will bring in more than AUD10 billion of additional revenue over the next ten years as a result of transfer pricing of related party financing alone.

Australia signs CbC report exchange arrangement with USA

On 1 August 2017, Australia and the United States of America (USA) signed a bilateral [Competent Authority Arrangement](#), which sets out the rules and procedures to exchange Country-by-Country (CbC) Reports.

NZ Government's final decisions on proposals to tackle BEPS

The New Zealand (NZ) Government has [announced](#) its final decisions on proposals to tackle base erosion and profit shifting (BEPS). The new measures announced aim to:

- Stop foreign parents charging their NZ subsidiaries high interest rates to reduce their taxable profits in NZ.
- Stop multinationals using artificial arrangements to avoid having a taxable presence in NZ.
- Ensure multinationals are taxed in accordance with the economic substance of their activities in NZ.
- Counter strategies that multinationals have used to exploit gaps and mismatches in different countries' domestic tax rules to avoid paying tax anywhere in the world.
- Make it easier for NZ Inland Revenue to investigate uncooperative multinational companies.

It is expected that these measures will be included in a tax bill to be introduced by the end of 2017, and will be enacted by July 2018. For further information, refer to PwC NZ's [Tax Tips Alert](#), which

also highlights several key aspects of the Multilateral Instrument recently signed by the NZ Government.

Hong Kong SAR Government previews forthcoming BEPS legislation

On 31 July 2017, the Hong Kong SAR Government released its consultation report on measures to implement the BEPS minimum standards into the Hong Kong Inland Revenue Ordinance. The report gives a strong indication of the contents of the legislation that now will be put to the Legislative Council – either as part of a BEPS Bill before the end of 2017 (covering transfer pricing, dispute resolution, and CbC reporting), or via a MLI Bill by mid-2018. Refer to PwC Global's [Tax Insights](#) for further information.

OECD and BEPS developments

The OECD has [released](#) a report on [Neutralising the Effects of Branch Mismatch Arrangements](#) (BEPS Action 2). The report identifies five basic types of branch mismatch arrangements and sets out recommendations for improvements to domestic law.

The Global Forum on Transparency and Exchange of Information for Tax Purposes has also [released](#) the first ten outcomes of a new and enhanced peer review process, aimed at assessing compliance with international standards for the exchange of information on request between tax authorities. Ireland, Mauritius and Norway received an overall rating of 'compliant'. Australia, Bermuda, Canada, Cayman Islands, Germany and Qatar were rated 'largely compliant'. Jamaica was rated 'partially compliant'.

In other OECD developments:

- The Platform for Collaboration on Tax (a joint initiative of the International Monetary Fund, OECD, United Nations and World Bank Group) is seeking [public feedback](#) on a [draft toolkit](#) for dealing with the taxation of offshore indirect transfers (the sale of an entity owning an asset located in one country by a resident of another). The taxation of offshore indirect transfers has increasingly become a practice by which some multinational corporations seek to minimise their tax liability. Comments are due by 25 September 2017.
- The OECD has [released](#) public comments received on the draft contents of the 2017 Update to the OECD Model Tax Convention.

- Nigeria has [signed](#) the MLI and Common Reporting Standard (CRS) Multilateral Competent Authority Agreement to tackle international tax avoidance and evasion.

UK's HMRC issues updated draft guidance on corporate interest restriction

The United Kingdom's (UK) Her Majesty's Revenue and Customs (HMRC) is seeking comments on a second tranche of [draft guidance](#) about the UK Government's corporate interest restriction rule, which applies from 1 April 2017. The rule aims to restrict a group's deductions for interest expense and other financing costs to an amount which is commensurate with its activities taxed in the UK, taking account of how much the group borrows from third parties. This latest tranche of draft guidance reflects the [updated legislation](#) published on 13 July 2017. Comments on the draft guidance are due 31 October 2017.

 [Explore PwC's global tax research and insights](#)

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Luxembourg proposes IP tax regime

On 4 August 2017, Luxembourg's Finance Minister introduced a bill for a new Intellectual Property (IP) regime. The proposed regime would be a new beneficial tax regime based on the 'modified nexus' approach. The proposal is meant to attract investment while complying with new European Union and international tax standards. In particular, as far as IP regimes are concerned, it would comply with the conclusions reached in the OECD's BEPS report on Action 5, related to the substantial activity requirement. If enacted, the provisions of the bill would take effect in the tax year 2018, and apply in parallel with the former Luxembourg IP regime. Refer to PwC Global's [Tax Insights](#) for further information.

Indirect Tax Update

ATO discussion paper: GST on collectables and antiques

The Australian Taxation Office (ATO) has released a [discussion paper](#) on determining when collectables and antiques that contain gold, silver or platinum are accepted as 'incidental valuable metal goods', and are therefore second-hand goods for goods and services tax (GST) purposes. The paper follows the passing of amending law – [Treasury Laws Amendment \(GST Integrity\) Act 2017 \(Cth\)](#) – to clarify that, from 1 April 2017, goods, to the extent that they consist of a valuable metal, are generally

not eligible to be treated as second-hand goods. And, are therefore not eligible to attract input tax credits.

Collection models for GST on low value imported goods

The Productivity Commission (the Commission) has released a [discussion paper](#) on collection models for the application of GST on low value imported goods. The Commission has been tasked with considering the effectiveness of recent legislative amendments to impose GST on low value imported goods (from 1

July 2018) and specifically, whether other models for collecting GST in relation to such offshore supplies might be suitable, including evaluation of the effects of models on Australian small businesses and consumers. Submissions on the discussion paper were due by 30 August 2017. The Commission expects to provide its final report to the Government by 31 October 2017.

New legislative determinations

The following legislative determinations have been issued in the last month:

- [Goods and Services Tax: Waiver of Tax Invoice Requirement \(Corporate Card Statements\) Legislative Instrument 2017](#). The instrument

grants a concession to reduce compliance costs for entities claiming input tax credits for creditable acquisitions by permitting the holder of certain corporate cards to claim an input tax credit without holding a tax invoice.

- Draft [SAM 2017/D1 Goods and Services Tax: Simplified Accounting Methods Determination for Food Retailers – Business Norms, Stock Purchases and Snapshot Methods](#), which proposes to provide eligible food retailers with the choice to use a simplified accounting method (SAM) to help work out their net amount by estimating GST-free sales and GST-free acquisitions of trading stock.

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Personal Tax Update

Taxpayer's income from United Nations project was not exempt

The High Court (the Court) in [Commissioner of Taxation v Jayasinghe \[2017\] HCA 26](#) has unanimously allowed the Commissioner's appeal against the [decision](#) of the Full Federal Court, finding that the taxpayer's income received from the United Nations Office for Project Services (UNOPS) was not exempt. The matter concerned the proper construction of the *International Organisations (Privileges and Immunities) Act 1963 (Cth)* (IOPI Act), and whether the Commissioner was bound to follow [Taxation Determination TD 92/153](#) (the Determination) in relation to the particular facts of the case.

In relation to the construction of the IOPI Act, in a joint judgment, Chief Justice Kiefel, and Justices Keane, Gordon and Edelman held that the taxpayer was not a person who held an office in an

international organisation within the meaning of section 6(1)(d)(i) of the IOPI Act.

The Court also found the Commissioner was not bound to apply TD 92/153 and accordingly treat the income as exempt. By way of background, TD 92/153 indicates salaries received from an international organisation by a person who holds an office in that organisation may be exempt from Australian income tax under regulations made under the IOPI Act. Paragraph 2 of the Determination states:

"The Department of Foreign Affairs and Trade, who administer [the IOPI Act] and regulations, take the view that the phrase 'person who holds an office' in relation to a prescribed international organisation covers those people who work as employees for that organisation. They do not accept, however, that the phrase includes either:

- persons who are locally engaged by the organisation and paid at an hourly rate; or
- persons engaged by the organisation as experts or consultants.”

According to the Court, although the [Tribunal](#) found that the taxpayer was an employee, because he was engaged by the UNOPS as an ‘expert’, he fell within one of the categories listed in paragraph 2 of TD 92/153 as being an exception. Accordingly, on the proper construction of TD 92/153, the Court found that the Commissioner was not bound to exempt the taxpayer on the income he received from UNOPS.

Approved Occupational Clothing Guidelines 2017

The [Approved Occupational Clothing Guidelines 2017](#), issued on 7 August 2017, sets out criteria that designs of non-compulsory uniforms must meet if the designs are to be entered on the Register of Approved Occupational Clothing (the Register). An employee can claim a tax deduction for the rental, purchase or maintenance of a non-compulsory uniform if the expense is deductible under a provision of the [Income Tax Assessment Act 1997 \(Cth\)](#) and the design of the uniform is entered on the Register. This instrument commences on 1 October 2017 and revokes and replaces the [Approved Occupational Clothing Guidelines 2006](#).

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State Taxes Update

South Australian legislative developments

The following Bills, which have indirect tax consequences, have progressed in the South Australian Parliament:

- The [Budget Measures Bill 2017 \(SA\)](#) (the Bill) has passed the South Australian House of Assembly without amendment and will now move to the Legislative Council. The Bill proposes to give effect to various 2017-18 SA budget measures, including the South Australian major bank levy.
- The [Statutes Amendment and Repeal \(Simplify No 2\) Bill 2017 \(SA\)](#) has been introduced into the South Australian Parliament and proposes amendments to the [Stamp Duties Act 1923 \(SA\)](#). The Bill proposes to extend the family farm exemption provisions to include transfers to and from companies, in addition to individuals and trusts, where all other existing criteria are met. This amendment is intended to result in equal treatment for stamp duty on

family farm transfers, regardless of how the property is held.

Relief from Victorian stamp duty

The Supreme Court of Victoria (the Court) in [Mondous v Commissioner of State Revenue \[2017\] VSC 416](#) has allowed an appeal by the taxpayers from the [decision](#) of the Victorian Civil and Administrative Tribunal (VCAT), finding that stamp duty was not to be imposed in relation to a transfer of land. The Court disagreed with VCAT and held that Exemption (10) in Heading VI of the Third Schedule to the [Stamps Act 1958 \(VIC\)](#) (dealing with certain conveyances of real property, subject to a trust, to a beneficiary) applied to relieve the transfer from duty. Specifically, it found that VCAT had failed to find the transfer constituted a conveyance of the land to the taxpayers in their capacity as beneficiaries of a bare trust, which arose from the transfer of the equitable estate in land to them under an initial transfer.

Land tax on accommodation

The NSW Civil and Administrative Tribunal (the Tribunal) in *Perry Properties Pty Ltd v Chief Commissioner of State Revenue [2017] NSWCATAD 235* has held that the applicant was liable for land tax in respect of two properties with boarding houses. The Tribunal found the relevant properties were not entitled to 'low cost accommodation' exemption under the guidelines set

out in Revenue Rulings LT 095 and LT 098. This was because the applicant's accommodation charges, which were imposed on a *per bed* basis, exceeded the limits set out in the Revenue Rulings on a *per room* basis, where the amount charged *per room* is the sum of the amounts charged *per bed* in that room.

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Superannuation Update

ATO guidance released on propagation and asset parcel selection

The Australian Taxation Office (ATO) has released a draft Practical Compliance Guideline (the draft Guideline) [PCG 2017/D16](#), which applies to registrable superannuation entities (RSEs) that contract with custodians to provide custodial and investment administration services for the RSE's assets. The draft Guideline sets out the ATO's compliance approach to the use of propagation to select assets for disposal, and the circumstances where propagation arrangements satisfy the asset identification principles and record keeping methodologies described in Tax Determination TD 33, and Taxation Rulings TR 96/4 and TR 96/7.

The draft Guideline will assist large superannuation entities to examine the characteristics of their propagation arrangements to determine the likelihood of an ATO review. It applies from 1 July 2016, and clarifies the ATO's approach to these types of arrangements for the large superannuation industry. Comments on the draft Guideline are due by 2 October 2017.

Funds using or contemplating the use of propagation will need to review the ATO's position.

Draft superannuation legislative instruments

The following draft superannuation legislative instruments have been issued:

- [Draft legislative instrument SPR 2017/D2](#): Reporting of event-based transfer balance account information in accordance with the *Taxation Administration Act 1953 (Cth)*. This draft instrument sets out the way in which superannuation providers (in relation to superannuation plans), and life insurance companies (in relation to certain life insurance policies), are required to report transactions, enabling the ATO to determine if an individual has exceeded their transfer balance cap. Once finalised, the instrument is proposed to apply from 1 October 2017.
- [Draft legislative instrument OPS 2017/D5](#): PAYG Withholding Variation: Certain superannuation beneficiaries who have not quoted a tax file number (TFN). This draft instrument ensures that amounts of non-assessable, non-exempt income paid to a superannuation beneficiary are not subject to withholding when the payee has not quoted their TFN. Once finalised, it will repeal and replace legislative instrument [Tax](#)

[Administration Act 1953: Variation to the rate of withholding for certain superannuation beneficiaries who have not quoted a tax file](#)

[number](#), which is due to sunset on 1 October 2017. Comments were due 1 September 2017.

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Legislative Update

Federal Parliament resumed for the Spring session on 8 August 2017. Commonwealth revenue measures introduced into Parliament, or registered as legislative instruments or regulations since the [August edition of TaxTalk Monthly](#), include:

- [Medicare Levy Amendment \(National Disability Insurance Scheme Funding\) Bill 2017](#) and a series of related Bills (introduced into the House of Representative on 17 August 2018), which propose to increase the Medicare levy rate from 2 to 2.5 per cent beginning the 2019-20 income year, and increase other taxes linked to the

Medicare levy in line with this increase. The associated increase in the Fringe Benefits Tax (FBT) rate to 47.5 per cent is proposed to apply from the FBT year beginning 1 April 2019.

- [Notice of Substituted Rates of Excise Duty and Notice of Substituted Rates of Customs Duty for Excise-Equivalent Goods](#) for certain alcohol, petroleum and gas products, effective from 1 August 2017.

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Other News

Extension of time allowed to lodge out of time objections

The Federal Court (the Court), in *Commissioner of Taxation v Primary Health Care Limited [2017] FCAFC 131*, dismissed the Commissioner's appeal and affirmed the decision of the Administrative Appeals Tribunal (the Tribunal) that objections against income tax assessments were taken to have been lodged within the required time frame.

The Court found there were no errors of law made by the Tribunal in setting aside the Commissioner's decision to refuse the extension of time for lodgement of objections. The Court rejected the contention that the Tribunal had reasoned irrationally in accepting the taxpayer had an acceptable reason for its delay in lodging the objections. The Court distinguished the taxpayer's situation from cases where a taxpayer deliberately delayed lodging an objection 'to game the tax system'. For a summary of the Tribunal's decision, refer to the May edition of [TaxTalk Monthly](#).

Taxpayer denied deduction for purchase of sequestered carbon

The Federal Court (the Court), in *Academy Cleaning & Security Pty Ltd v Deputy Commissioner of Taxation [2017] FCA 875*, has held that the taxpayer was not entitled to a deduction for the purchase of sequestered carbon under section 8-1 of the *Income Tax Assessment Act 1997* (ITAA 1997).

The taxpayer entered into an agreement to buy carbon and paid a non-refundable deposit. An outright deduction was claimed for the total purchase price under the contract, including the balance to be paid at an uncertain future date.

The Court held that the amount was not deductible because the taxpayer had not incurred a loss or outgoing in relation to the balance of the purchase price (within the meaning of section 8-1(1)(a) of the ITAA 1997). The Court was not satisfied that any part of the amount was necessarily incurred in carrying on a business (within the meaning of section 8-1(1)(b) of the ITAA 1997), and rejected the taxpayer's contention that the Commissioner's Part IVA assessment was incorrect and excessive.

Commissioner exercises statutory remedial power on foreign resident CGT withholding

Taxation Administration (Remedial Power – Foreign Resident Capital Gains Withholding) Determination 2017 modifies the operation of the *Taxation Administration Act 1953 (Cth)*.

The determination aims to ensure an entity's credit entitlement for amounts paid to the Commissioner of Taxation (the Commissioner) under [Foreign Resident Capital Gains Withholding](#) (FRCGW) legislation is available in the income year the underlying transaction is recognised for tax purposes. The determination is substantially the same as the draft determination issued on 10 April 2017.

The determination also seeks to ensure that an entity's credit entitlement for amounts paid to the Commissioner under the FRCGW legislation is made available in the most appropriate income year in relation to contracts that straddle income years. The simplest straddling cases, and the most common to arise, are where contracts entered into in May or June settle in July or August of the same calendar year. This gives rise to a capital gain for the vendor in the year in which the CGT event occurred (i.e. the year the contract was entered into).

According to the explanatory statement accompanying the determination, the issue where settlement occurs in an income year subsequent to the year the contract is entered into does not appear to have been considered by Parliament in creating the FRCGW provisions. The crediting misalignment produced in straddling cases results in unintended compliance costs and adverse cash flow impacts for affected entities.

In light of the intended purpose of the FRCGW and crediting provisions, the Commissioner considers it reasonable to exercise his discretion to use his remedial power for this issue. The determination applies retrospectively to align with the commencement date of the FRCGW legislation, being 1 July 2016.

Opposition's proposed reform to the taxation of discretionary trusts

The Australian Labor Party has [announced](#) details on plans to reform the taxation of trusts, including introducing a standard minimum 30 per cent tax rate for discretionary trust distributions to adult beneficiaries. Under the proposal, fixed trusts, special disability trusts, deceased estates, farm trusts and charitable trusts will not be affected. For further information, refer to [PwC Australia's TaxTalk Alert](#).

Draft tax administration regulations

The Treasury has released exposure draft [Taxation Administration Regulations 2017](#) which will remake and improve the *Taxation Administration Regulations 1976* (due to sunset on 1 October 2017) by repealing redundant provisions, restructuring provisions and simplifying language. These changes are not intended to affect the substantive meaning or operation of the provisions or the regulations. Submissions were due by 18 August 2017. For further information, refer to the [media release](#) issued by the Minister for Revenue and Financial Services.

Update on Black Economy Taskforce activity

The [Black Economy Taskforce](#) has released a [consultation paper](#) outlining a number of additional policy ideas which draw on recent public and stakeholder consultations. The 54 ideas outlined in the consultation paper (including a number of tax related proposals such as reform of the Australian Business Number and establishment of specialist tax tribunals) are intended for public comment and reaction. Feedback received by the taskforce as part of the consultation will inform its final report, due in October 2017. For further information, refer to the [media release](#) issued by the Minister for Revenue and Financial Services.

Modernising Government business registers

The Australian Government has [announced](#) the release of a [discussion paper](#) on modernising business registers. The discussion paper considers

options to improve the 31 registers (including the Companies Register and the Business Names Register) managed by the Australian Securities and Investment Commission, and the Australian Business Register (ABR). Submissions are due by 1 September 2017.

Transforming Australia's visa system

The Federal Minister for Immigration and Border Protection, The Hon Peter Dutton MP, has [announced](#) the Australian Government will undertake public consultation on transforming Australia's visa system to simplify it and better align it with Australia's long-term economic and social priorities. A [policy consultation paper](#) has been released to help inform the various reform options, including elements of a new visa system. The consultation will consider:

- The scope for reducing the number of visa types from 99 to around 10.
- The delineation between temporary entry and long-term or permanent residence.
- The role a period of provisional residence could play in enhancing the integrity of the visa system and easing the burden on taxpayers.
- Options to ensure sufficient flexibility within the reformed visa system to enable Australia to remain a competitive destination for temporary and longer-term visitors.

Amendments to Singapore – Australia Free Trade Agreement

The Parliamentary Joint Standing Committee on Treaties (the Committee) has handed down its [report](#) on amendments to the Singapore - Australia Free Trade Agreement (FTA), recommending binding treaty action be taken. The proposed amendments focus on incorporating service and regulatory provisions from recent free trade agreements, including a new Investor State Dispute Settlement provision that will protect states from cases where the state has regulated in the public interest.

Let's talk

For a deeper discussion of how these issues might affect your business, please contact:

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