Legislative Update

2 November 2015

Commonwealth revenue measures introduced into Parliament or registered as legislative instruments or regulations since our previous TaxTalk publication include the following:

*Superannuation Industry (Supervision) modification declaration No. 1 of 2015*, registered on 25 September 2015, provides exceptions to restrictions on minimum benefits for members of superannuation funds (remaking Modification Declaration No 26).

*Taxation Administration Act 1953 – PAYG Withholding Variation: Variation of amount to be withheld from certain payments made by external administrators and trustees of bankrupt estates*, registered on 29 September 2015, varies the amount of withholding (to a flat rate of 34.5 per cent) required by external administrators and trustees in bankruptcy under the Pay As You Go (PAYG) withholding system for certain payments (eg back payments of wages) made to employees which accrued prior to the date on which the administrator or trustee was appointed. This instrument replaced two legislative instruments that expired on 1 October 2015.

*Tax and Superannuation Laws Amendment (2015 Measures No. 5) Bill 2015*, introduced into the House of Representatives on 15 October 2015, contains the following measures:

- modernise work-related car expense deductions by removing the 12 per cent of original value and one-third of actual expenses methods and streamlining the process for calculating the cents per kilometre method by providing a single rate of deduction (at 66 cents per kilometre for the 2015-16 income year), applicable from the 2015-16 income year
- better targeting of the Zone Tax Offset by limiting access to those people whose usual place of residence is within the designated geographical zone, applicable from the 2015-16 income year
- limit the fringe benefits tax (FBT) concessions on salary packaged entertainment benefits by introducing a cap on the total amount that certain employees can be provided that are exempt from or subject to FBT at concessional rates, applicable from the 2016-17 FBT year
- introduce a range of new third party reporting measures, aimed at improving taxpayer compliance by increasing the information reported to the Commissioner of Taxation by third parties in respect of transactions such as payment of government grants, consideration provided for services to government entities, transfers of real property, shares and unit in unit trusts, and business transactions made through payment systems, with effect from 1 July 2016 or 1 July 2017 (see separate article).

*Social Services Legislation Amendment (Family Payments Structural Reform and Participation Measures) Bill 2015*, introduced into the House of Representatives on 21 October 2015, proposes the following measures:

- Reform family tax benefit Part A and at-home under-18 year old youth fortnightly rates from 1 July 2018
- Reform to family tax benefit Part B from 1 July 2016
- Phase out the family tax benefit Part A and Part B supplements from 1 July 2016 until 1 July 2018 at which time the supplements will be completely withdrawn.
Let’s talk

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

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