Other news

3 August 2015

Third party reporting and ATO data matching

On 10 July 2015 the Commonwealth Treasury released exposure draft legislation and a range of supporting materials from the Australian Taxation Office (ATO) regarding the proposed measures to enhance third party reporting and data matching. Under the proposal, the following transactions will be subject to the enhanced reporting requirements from 1 July 2016:

- government grants and payments
- real property transfers
- transfers of reportable securities and units in a trust,
- business transactions made through payment systems.

The ATO is also seeking feedback on the administration aspects of this measure via its Let’s Talk website.

Closing date for submissions on the exposure draft law is 14 August 2015.

Agricultural White Paper

On 4 July 2015, the Commonwealth Government released its Agricultural Competitiveness White Paper which sets out the Government’s policies to strengthen the agricultural sector. From a tax perspective, the Paper discusses a number of measures already announced or enacted (for example, accelerated depreciation for fencing), outlines proposed changes to the Farm Management Deposits scheme and income tax averaging, as well as reports on a number of measures (for example, the non-commercial loss rules) to be considered as part of the Tax Reform White Paper.

Foreign investment reforms

On 6 July 2015, the Commonwealth Treasury released exposure draft legislation and regulations for a package of reforms to strengthen the foreign investment framework, including the transfer of all of the residential real estate functions to the ATO, stricter penalties, new application fees, increased scrutiny of foreign investment in agriculture and increased transparency of foreign ownership through a land register. The release of this material follows the Treasurer’s announcement of the proposed measures on 2 May 2015.

The ATO has also announced that until 30 November 2015, it will be offering reduced penalties for foreign investors who disclose possible breaches of Australia’s foreign investment rules for purchases of Australian real estate. From 1 December 2015 new criminal and civil penalties will apply.

On its website the ATO states that “If you disclose a breach of the rules for residential real estate purchases during the RPP, depending upon your circumstances, you may:

- be given a concessional period of 12 months to divest yourself of the property, rather than a shorter period
- not be referred for criminal prosecution.

Separate obligations apply in respect of agricultural land – See PwC LegalTalk Alert for further details.

For further information in relation to this announcement or in relation to the law applying to acquisition of property by foreign persons, contact Andrew Wheeler on +61 (2) 8266 6401 or at andrew.wheeler@au.pwc.com.
The Inspector-General of Taxation (IGOT) has released his Report on Australian Taxation Office’s services and support for tax practitioners which comments on the ATO lodgment programs, Tax Practitioner Portal and website issues, ATO communication and engagement, and consultation arrangements. Overall, the IGOT has made eight recommendations, with which the ATO has agreed fully or partially, and which aim to result in an improved ATO-tax practitioner relationship.

Removing zone offset for fly-in fly-out workers

On 16 July 2015, the Commonwealth Treasury released exposure draft legislation containing measures which seek to give effect to the 2015-16 Federal Budget proposal to remove the Zone Tax Offset from the 2015-16 income year for 'fly-in-fly-out' and 'drive-in drive-out' employees whose normal residence is not within a specified remote zone. In other words, from the 2015-16 year, individuals who fly or drive to a Zone for work related purposes, but do not ordinarily reside in the Zone will no longer be eligible to claim the Zone Tax Offset.

Comments are due by 5 August 2015.

Let’s talk

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

Tom Seymour, Managing Partner
+61 (7) 3257 8623
tom.seymour@au.pwc.com

Adam Davis, Melbourne
+61 (3) 8603 3022
adam.davis@au.pwc.com

Warren Dick, Sydney
+61 (2) 8266 2935
warren.dick@au.pwc.com

Murray Evans, Newcastle
+61 (2) 4925 1139
murray.evans@au.pwc.com

Alistair Hutson, Adelaide
+61 (8) 8218 7467
alistair.hutson@au.pwc.com

David Ireland, Sydney
+61 (2) 8266 2883
david.ireland@au.pwc.com

Anthony Klein, Melbourne
+61 (3) 8603 6829
anthony.klein@au.pwc.com

David Lewis, Perth
+61 (8) 9238 3336
david.r.lewis@au.pwc.com

Julian Myers, Brisbane
+61 (7) 3257 8722
julian.myers@au.pwc.com

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