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# TaxTalk Monthly

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



# Corporate Tax Update

## **First tranche of draft law to implement tax integrity rules for stapled structures**

The Government has [released](#) the first stage of [exposure draft legislation](#) to address risks to the corporate tax base posed by stapled structures and similar arrangements, and to limit access to concessions currently available to foreign investors for passive income.

This current package includes draft law that proposes to implement the following measures which were previously announced on 27 March 2018:

- subject foreign investors to the corporate tax rate in respect of certain income derived by a Managed Investment Trust that is part of a stapled structure
- amend the thin capitalisation rules to prevent foreign investors from using multiple layers of flow-through entities (i.e. trusts and partnerships) to ‘double gear’ their investments to generate more favourably taxed interest income
- limit the foreign pension fund withholding tax exemption for interest and dividends to portfolio investments only
- create a legislative framework for the existing tax exemption for foreign governments (including sovereign wealth funds), and limit the exemption to passive income from portfolio investments.

The draft legislation also includes the concession for new, government-approved nationally significant infrastructure assets, and the transitional arrangements for new and existing investments.

Comments on the draft legislation were due on 31 May 2018. Refer to our [TaxTalk Alert](#) for further insights.

## **Draft ruling on the consolidation anti-churn measure**

The Australian Taxation Office (ATO) has released draft law companion ruling [LCR 2018/D3](#). The Ruling provides guidance on the recently enacted tax consolidation integrity measure which has the effect of switching off the entry tax cost setting rules when a joining entity becomes a subsidiary member of a consolidated group in certain circumstances when a foreign resident ceases to hold certain membership interests in the joining entity, and other joining entities with linked membership interests (the ‘anti-churn’ measure). The anti-churn measure is perhaps the most complex of the new tax consolidation integrity measures.

The draft ruling provides examples of the application of the relevant provisions, a practical example of the ‘associate-inclusive’ total participation interests requirement, and a warning on the potential application of the general anti-avoidance provisions in Part IVA of the *Income Tax Assessment Act 1936* (Cth) in relation to artificial or contrived arrangements designed to exploit the 12 month test period. Comments are due by 8 June 2018.

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# Employment Taxes Update

## Superannuation Guarantee amnesty

Measures are now before Parliament [\*Treasury Laws Amendment \(2018 Superannuation Measures No. 1\) Bill 2018\*](#), introduced into the House of Representatives on 24 May 2018), to amend the *Superannuation Guarantee (Administration) Act 1992* (Cth) to provide for a one-off 12-month amnesty to encourage employers to self-correct historical superannuation guarantee (SG) non-compliance for any period from 1 July 1992 up to 31 March 2018, without penalty. An employer that qualifies for the amnesty in relation to their SG shortfall for a quarter:

- has no administrative component in respect of an individual SG shortfall that was only identified because of a disclosure under the amnesty
- has no penalties in respect of amounts of SG shortfall that qualify for the amnesty
- can deduct payments made in relation to SG charge imposed on the SG shortfall, or contributions that are offset against the SG charge, that are made during the amnesty period.

To take advantage of the amnesty, an employer will need to calculate the amount payable (the SG shortfall plus nominal interest), and lodge one of these forms with the Australian Taxation Office (ATO):

- [SG Amnesty Fund payment form](#)
- [SG Amnesty ATO payment form](#)

The ATO has made it clear that employers who are not up-to-date with their SG payment obligations for their employees, and do not self-correct any SG shortfalls during the amnesty, may face higher penalties in the future. Penalties can be imposed as high as 200 per cent of the SGC amount, which may be partially remitted.

## Preventing inadvertent concessional cap breaches by employees with multiple employers

Schedule 2 of the recently introduced [\*Treasury Laws Amendment \(2018 Superannuation Measures No. 1\) Bill 2018\*](#) amends the *Superannuation Guarantee (Administration) Act 1992* (Cth) to allow individuals to avoid unintentionally breaching their concessional contributions cap when they receive superannuation contributions from multiple employers. Instead of receiving contributions into

superannuation, an employee may apply to the Commissioner of Taxation for an 'employer shortfall exemption certificate', which prevents their employer from having a superannuation guarantee shortfall if they do not make superannuation contributions for a period. An employer covered by the exemption certificate has a maximum contribution base of nil in relation to an employee for the quarter to which the certificate relates.

The amendments will allow the Commissioner to issue an employer shortfall exemption certificate covering a quarter starting on or after 1 July 2018 and will alter the maximum contribution base rules for such quarters.

## Victorian payroll tax changes

The [\*State Taxation Acts Amendment Bill 2018\*](#), introduced into the Victorian Parliament, delivers on recent Budget initiatives and includes amendments to the *Payroll Tax Act 2007* (VIC) to reduce the rate for payroll tax payable by regional Victorian businesses. Specifically, from 1 July 2018, the payroll tax rate for regional businesses will be reduced from 3.65 per cent to 2.425 per cent for those businesses with payrolls that comprise at least 85 per cent wages associated with regional employees. As previously announced, the bill also increases the payroll tax-free threshold in Victoria for all employers to \$650,000 from 1 July 2018.

## WA payroll tax changes affecting trainee exemption

In Western Australia (WA), the [\*Pay-roll Tax Assessment Amendment \(Exemption for Trainees\) Bill 2018\*](#), which proposed to amend the *Pay-roll Tax Assessment Act 2002* (WA), tightening the payroll tax exemption for wages paid to trainees, has now been enacted. The Bill operates to limit the existing payroll tax exemption to new employees who do not have any previous training contract with an employer's payroll tax group, and to a particular period for training qualification. The changes seek to close a loophole in the current exemptions with retrospective effect from 1 December 2017, with transitional rules in place for training contracts entered into before that date.

## Northern Territory payroll tax relief

The [\*Revenue Legislation Amendment Bill 2018\*](#), introduced into the Northern Territory Parliament, proposes to implement a number of 2018-19 NT Budget measures including amendments to the *Payroll Tax Act* (NT) to introduce the Local

Employment Package. This will provide incentives to businesses that take on either a new employee who is resident in the NT, or a current employee who becomes, or is replaced by, a NT resident – provided the new hiring or residency occurs by 30 June 2020. The package will provide a payroll tax rebate, royalty incentives, and deductions to encourage the hiring of local resident employees.

### **Tribunal finds payments made to a third party were taxable wages**

The NSW Civil and Administrative Tribunal in *B & B Stevenson Pty Ltd v Chief Commissioner of State Revenue [2018] NSWCATAD 103* has confirmed that assessments issued by the Chief Commissioner were correct. The Tribunal found that payments made by a company to a partnership were ‘wages’ pursuant to section 46(2)(b) of the *Payroll Tax Act 2007* (NSW), as they represented remuneration for the services of the directors of the company and were not sub licence fees for the grant of a sub licence for the company to manage or operate the business.

In reaching its decision, the Tribunal noted that the absence of an agreement between the two parties in

writing or any real extrinsic evidence to support the characterisation of the payments to the partnership as sub licence fees was “nearly fatal” to the taxpayer’s argument, however, this coupled with inconsistencies in the historical categorisation of these payments in the company’s accounts as “management fees” and the continuing involvement of Mr and Mrs Stevenson in the central management and control and financial oversight of the company led the Tribunal to conclude that the taxpayer had not discharged the burden of proof in relation to the payments.

### **ATO releases updated FBT employee declaration templates**

The ATO has [released](#) a number of updates to its existing Fringe Benefits Tax (FBT) employee declaration templates, including updates to the wording of both the expense payment fringe benefit declaration and the recurring expense payment fringe benefit declaration. These declarations templates should be used to ensure that FBT declarations signed by your employees are valid.

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## Global Tax Update

### Latest news from international tax and transfer pricing

#### **Anti-hybrid rules introduced into Parliament**

On 24 May 2018, the *Treasury Laws Amendment (2018 Superannuation Measures No. 1) Bill 2018* was introduced into Federal Parliament to

implement the Organisation for Economic Cooperation and Development’s (OECD) recommended hybrid mismatch rules in Australia. The measures, as introduced into Parliament, are broadly consistent with the last version of exposure draft law. However, there is clarity around their

commencement date, which is broadly in respect of income years starting on or after 1 January 2019, with the exception of the imported mismatch rule that will apply to income years starting on or after 1 January 2020. With a little over six months before the rules can have an impact, we strongly recommend that all Australian taxpayers with cross-border transactions consider the potential impact of the hybrid mismatch rules sooner rather than later.

For further information, refer to PwC's [TaxTalk Alert](#).

## **Draft tax determination dealing with MAAL**

The Australian Taxation Office (ATO) has issued draft Taxation Determination [TD 2018/D1](#), which provides guidance on when activities undertaken in Australia will be 'directly in connection with' a supply by a foreign entity under the Multinational Anti-Avoidance Law (MAAL). The draft determination focuses on schemes that are designed to limit a taxable presence in Australia under section 177DA of the *Income Tax Assessment Act 1936* (Cth). According to the Draft Determination, the phrase 'directly in connection with' is intended to be construed broadly.

Whether the requisite connection exists between activities undertaken in Australia and a supply to an Australian customer will depend on the facts and circumstances of each particular case. The Draft Determination considers, for example, whether the following types of activities might be directly connected to a supply:

- Contributing to bringing about the contract for the supply
- Attracting new customers or maintaining existing customer relationships
- The ability to supply the goods or service, or the manner in which it is supplied
- Supporting the ongoing execution of a supply under an existing supply arrangement
- Actively procuring demand for sales.

Comments on the draft determination are due on 1 June 2018.

## **Draft law affects thin capitalisation and withholding tax exemptions**

On 17 May 2018, Treasury released for public consultation the first stage of [exposure draft legislation and explanatory material](#) giving effect to most of the proposed integrity measures for stapled structures that were previously announced on 27

March 2018. Although this package of draft law has a specific focus on stapled arrangements, it has broader implications for certain global investors in Australia more generally. In particular, it includes measures which seek to:

- amend the thin capitalisation rules to prevent foreign investors from using multiple layers of flow-through entities (i.e. trusts and partnerships) to 'double gear' their investments. This will prevent investors from generating more favourably taxed interest income by reducing the threshold at which a trust (other than a public trading trust) or partnership becomes an 'associate entity' from ownership of 50 per cent or more to 10 per cent or more, for the purposes of applying the thin capitalisation rules. This is applicable to income years commencing on or after 1 July 2018
- limit the foreign pension fund withholding tax exemption for interest and dividends to portfolio investments only (i.e. where a foreign pension fund investor holds ownership interests of less than 10 per cent, and does not have influence over the entity's key decision-making) – applicable from 1 July 2019, subject to certain transitional relief
- create a legislative framework for the existing tax exemption for foreign governments (including sovereign wealth funds), and limit the exemption to passive income from portfolio investments – applicable from 1 July 2019, (subject to certain transitional relief).

Refer to PC's [TaxTalk Alert](#) for further insights.

## **International Compliance Assurance Programme**

The ATO is participating in the [pilot](#) of the International Compliance Assurance Programme (ICAP), launched by the Organisation for Economic Cooperation and Development (OECD), which involves various tax administrations undertaking cooperative multilateral risk assessments on Multinational Enterprises using country-by-country (CbC) Reports and other relevant information to assess transfer pricing and permanent establishment risks. The ICAP pilot involves Australia, Canada, Italy, Japan, the Netherlands, Spain, the United Kingdom and the United States.

## **Update on proposed digital services tax**

In the 2018-19 Australian Federal Budget, it was identified that the Australian Government will shortly release a discussion paper on further options for taxing digital businesses in Australia. With the OECD releasing an [interim report on the Tax](#)

[Challenges Arising from Digitalisation](#), which is a follow-up to the work delivered under BEPS Action 1 on addressing the tax challenges of the digital economy, there has been a number of global developments, including:

- PwC has lodged a [submission](#) in response to the European Commission's (EC) proposed Digital Tax Package consisting of the [corporate taxation of a significant digital presence \(SDP\)](#) and a proposed [common system of a digital services tax \(DST\) on revenues resulting from the provision of certain digital services](#).
- The United Kingdom (UK) HM Treasury has issued an updated [position paper](#) on corporate tax and the digital economy, which aims to provide a basis for continued dialogue with businesses, and to inform the work being undertaken at the OECD, and in the European Union (EU), which the UK continues to actively support.
- The Spanish government has proposed a digital services tax that would align with the draft EU Directive presented by the EC. The government's aim is for the new tax to be in force before the end of 2018. Find further information on this in PwC's [Global Insights](#).

## US tax reform developments

To keep up to date with the latest developments, news and implications of tax reform in the United States (US), visit [PwC's dedicated website](#). Updated regularly, to provide response to developments as they occur, it brings together insights from business specialists across the globe for US inbound and outbound organisations navigating change. Some recent updates to note include:

- [Tax reform readiness – Impact on deals, joint ventures, and strategic alliances](#)
- [Tax reform readiness – Recent IRS guidance clarifies key international tax issues](#)
- [Tax reform readiness – Interactions of international tax reform provisions](#)
- [Tax reform readiness – Today's emerging technologies for tax reform readiness](#)
- [Tax reform readiness: Interim financial reporting: Q1 lessons learned and operational considerations](#)

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

- [IRS provides guidance on Section 965 'toll tax' calculation and elections](#)
- [Government officials provide insights on forthcoming tax reform guidance](#)

PwC US continues to host a tax reform readiness webcast series, covering everything from financial reporting implications to workforce strategies and business preparedness. You can view past webcast recordings, and register for upcoming topics by following this link: [www.pwc.com.au/ustaxreform](http://www.pwc.com.au/ustaxreform)

## OECD developments

The Organisation for Economic Cooperation and Development (OECD) has [released](#) revised guidance in [Chapter IV \(administrative approaches\)](#) and [Chapter VII \(intra-group services\)](#) of the [Transfer Pricing Guidelines](#) for public comment. Comments are due by 20 June 2018.

In other developments:

- The OECD has [released](#) decisions on 11 preferential regimes of the Base Erosion and Profit Shifting (BEPS) Inclusive Framework Members conducted by the Forum on Harmful Tax Practices in connection with BEPS Action 5.
- A new Dutch transfer pricing decree has been published which implements OECD guidelines by providing further guidance on the application of the arm's length principle, and aims to incorporate changes following the BEPS project and related changes. Refer to PwC's [Global Insights](#) for further information.
- Bahrain, Saint Lucia and the United Arab Emirates have joined the [Inclusive Framework on BEPS](#), bringing the total number of jurisdictions to 116.

## OECD Taxing Wages 2018 report

The OECD has released its [Taxing Wages 2018](#) publication, which covers personal income taxes and social security contributions paid by employees, social security contributions and payroll taxes paid by employers, and cash benefits received by in-work families across the OECD member countries. According to the report, workers in OECD countries paid (on average) just over a quarter of their gross wages in tax in 2017, with just over half of countries seeing small increases in the personal average tax rate.

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## Indirect Tax Update

### ***GST to apply to offshore hotel accommodation suppliers***

The Government has proposed in the 2018-19 Federal Budget to extend the goods and services tax (GST) to offshore sellers of Australian hotel accommodation, to ensure offshore sellers calculate their GST turnover in the same way as local sellers from 1 July 2019. This change represents a further extension of GST laws targeting offshore sellers of goods and services consumed in Australia, following the inbound digital supply changes introduced in July 2017 and the upcoming low value goods laws coming into effect on 1 July 2018.

These changes will impact the major global online travel and booking platforms, along with a number of smaller offshore travel providers and tour operators.

There is no detail yet on the proposed amendment. However, if the change proposed is to simply remove the GST turnover exemption, it will impact transactions with business customers as well as consumers. This would seem to be contrary to the policy intention behind other recent GST legislative changes aiming to keep non-resident sellers of services to business customers outside of the GST system.

The proposed changes also appear to reverse an amendment made to the GST Act in 2005, which sought to simplify the administration and compliance landscape for inbound tour operators. Under the 2005 changes, offshore tour operators did not have to remit GST on their supplies of Australian tour packages and accommodation if they chose not to register for GST and consequently did not claim an input tax credit for the GST incurred on the acquisition of the tour components.

In other words, the Government was still able to collect GST on the wholesale costs of the travel package. The proposed changes appear to draw offshore entities back into the Australian GST system and bring back into focus issues around GST compliance costs for impacted entities. Perhaps off the back of the recently enacted inbound digital supplies measures and the new low value imported goods laws, the Government's view might now be that the cost of compliance and enforcement is different to what it was in 2005. Implicit in the announcement is an expectation that:

- offshore sellers will enter the GST system in Australia and register, and/or
- the Australian Taxation Office (ATO) will have both the legal ability and the means to administer the new law and enforce compliance of offshore companies.

One final observation relates to ease of compliance for affected offshore entities. It would appear unlikely that offshore travel companies, tour operators, or aggregators would elect to register under the newly established simplified GST registration for non-residents. This is because the simplified registration would result in a GST liability on the sale of the hotel accommodation to the traveller, without any input tax credit entitlement for the tour operator for GST incurred on the acquisition of Australian hotel rooms. The ability therefore to leverage from the simplified registration process may be problematic.

For further details on other indirect tax measures announced as part of the Federal Budget 2018-19, refer to [PwC's in depth analysis](#).

## Tobacco tax gap

The ATO has released the [tobacco tax gap](#), which identifies the net gap estimate for the 2015–16 year at AUD594 million or 5.6 per cent. The tobacco tax gap is the difference between the estimated value of excise or customs duty raised from tobacco and the value actually raised for a financial year. This tobacco tax gap estimate covers illicit tobacco importation, unlicensed domestic cultivation and leakage of pre-taxed ('underbond') legal tobacco product from warehouses.

Measures to combat illicit tobacco trade were announced as part of the 2018-19 Federal Budget. In particular, a new multi-agency Illicit Tobacco Taskforce will be established to enforce new tobacco rules and target illicit tobacco supply chains.

## ATO's draft ruling on purchaser's obligation to pay GST on property

The ATO has issued a draft law companion ruling [LCR 2018/D1](#) on the new GST laws which require a purchaser of certain types of real property to make a payment to the Commissioner of Taxation that represents the GST payable by the vendor. The draft Ruling explains the date from which the new measures will apply, the types of supplies for which a liability will arise for purchasers, when a purchaser is required to pay, the amount the purchaser is required to pay, the requirement for a vendor to provide a notice to the purchaser, and the penalties that may apply to vendors and purchasers. Comments were due by 25 May 2018.

## Addenda to GST determinations and rulings

Addenda have been issued to the following determination and rulings to reflect amendments made to the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) in relation to the GST treatment of digital currency:

- [GSTR 2000/25 - Addendum: Goods and services tax: GST-free supplies of water, sewerage and sewerage-like services, storm water draining services and emptying of a septic tank](#)
- [GSTR 2003/13 - Addendum: Goods and services tax: general law partnerships](#)
- [GSTR 2006/10 - Addendum: Goods and services tax: insurance settlements and entitlement to input tax credits](#)
- [GSTD 2011/1 - Addendum: Goods and services tax: is an ex gratia payment by an insurer in](#)

[response to a claim under an insurance policy a payment made 'in settlement of a claim'?](#)

- [GSTR 2014/1 - Addendum: Goods and services tax: motor vehicle incentive payments](#)

The ATO has also issued [GSTD 2012/5A1 - Addendum](#), which amends GSTD 2012/5 to reflect amendments made to item 9 of the table in subregulation 40-5.09(3) of the *A New Tax System (Goods and Services Tax) Regulations 1999*.

## ATO proposal on new class of recipient created tax invoices

The ATO has released a [discussion paper](#) on a proposal to make a new broad class of recipient created tax invoices (RCTI) for businesses with a GST turnover of less than AUD20 million to replace the numerous industry RCTI classes. Under the proposal, small and medium business in any industry will be able to issue RCTIs where certain conditions are met. The intention of this proposal is to improve efficiency for small to medium businesses by cutting red tape, and to improve ease of administration for the ATO. Comments are due by 8 June 2018.

## Australia exempt from US aluminium and steel tariffs

Prime Minister Malcolm Turnbull has [announced](#) that Australia will be exempt from US steel and aluminium tariffs after receiving confirmation from the US president. For more on this, and its implications for Australian businesses, refer to PwC's [Global Tax Insights](#).

## NZ proposes GST on low value imported goods

The New Zealand Government has released a discussion document on its proposal to apply GST to low-value imported goods, which would result in a system requiring offshore suppliers to collect GST on such goods supplied to New Zealand consumers. For further information, refer to PwC's [Global Tax Insights](#).

## Federal Court finds grape concentrate of alcoholic beverages is 'grape wine'

The Federal Court in *Divas Beverages Holdings Ltd v Commissioner of Taxation [2018] FCA 576* considered an appeal against the Commissioner's decision to refuse the taxpayer's application for approval to receive duty-free spirits to manufacture alcoholic beverages under section 77FD of the *Excise Act 1901* (Cth). The Court held that the grape concentrate of the alcoholic beverages the taxpayer had proposed to manufacture satisfied the



definition of 'grape wine' under section 31-1(1) of the *A New Tax System (Wine Equalisation Tax) Act 1999* (Cth), while the liquid sugar of the

beverages did not constitute 'grape wine' or 'grape wine product'.

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## Personal Tax Update

### Government's seven-year Personal Income Tax Plan

The Government has already introduced legislation (see the Legislative Updates section) to give effect to the 2018-19 Federal Budget [announcement](#) to provide low and middle income tax cuts under a seven-year Personal Income Tax Plan. The first phase of the plan is to provide tax relief from 1 July 2018 to low and middle income earners (via a new Low and Middle Income Tax Offset), and to increase the top threshold at which the 32.5 per cent personal tax bracket applies. Later phases will then further increase the threshold for the 32.5 per cent personal income tax bracket and eventually remove the 37 per cent personal income tax bracket. For a detailed analysis of these new personal tax measures, explore [PwC's Federal Budget Insights](#).

### ATO's draft ruling on travel related to rental investment properties

The Australian Taxation Office (ATO) has issued draft law companion ruling [LCR 2018/D2](#), which considers the new law denying a deduction for travel expenditure (incurred on or after 1 July 2017) in gaining or producing assessable income from certain uses of residential premises as residential accommodation. By way of background, the amendments do not affect deductions that arise:

- in the course of carrying on a business, including where an entity carries on a business of providing property management services
- for corporate tax entities, superannuation plans other than self-managed superannuation funds, public unit trusts, managed investment trusts and unit trusts or partnerships – all the members of which are entities of a type listed here.

The draft ruling provides two examples and clarifies the meaning of the term 'residential premises', the meaning of carrying on a business for the purposes of the exception, and the application of the rule to travel expenditure that serves more than one purpose. When finalised, the ruling will apply to taxpayers which incurred a relevant loss or outgoing on or after 1 July 2017. Comments were due on 1 June 2018.

### Action underway against tax evaders

The Minister for Revenue and Financial Services has [confirmed](#) 578 Australians were identified by the ATO (working with other Serious Financial Crime Taskforce agencies) in March 2017 as holding unnamed numbered accounts with a Swiss bank, following a joint international investigation. More than 100 Australians with links to Swiss banking relationship managers alleged to have actively promoted and facilitated tax evasion schemes, have been identified as 'high risk' and will require further investigation by the ATO.

## Tribunal considers work related deduction entitlements

The Administrative Appeals Tribunal in [\*Hussain v Commissioner of Taxation \[2018\] AATA 1111\*](#) has found that the taxpayer, who was employed as an

interpreter, was not entitled to claim deductions for work-related self-education expenses, work related travel expenses, 'other work related expenses', and for clothing, as he failed to provide evidence to substantiate his claims. The Tribunal did however allow for claims related to car and travel expenses which were able to be substantiated.

### Let's talk

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## State Taxes Update

### Victorian State Budget

The [\*Victorian Budget for the 2018-19 financial year\*](#) was handed down by the State Treasurer, Tim Pallas MP, on 1 May 2018. Key taxation measures announced in the Budget include:

- For property settlements from 1 July 2018, Australian Defence Force personnel will no longer be required to reside in their home for 12 months to benefit from the first home buyer stamp duty exemption/concession.
- For settlements from 1 July 2018, there will be an increase in the young farmer stamp duty exemption threshold so that young farmers aged under 35 years, buying their first farmland, will receive a full stamp duty exemption on farm purchases valued at up to AUD600,000 (increased from AUD300,000), with a concession applying to purchases valued at between AUD600,000 and AUD750,000.
- From 1 July 2018, the payroll tax rate for regional businesses will be reduced from 3.65 per cent to 2.425 per cent – the lowest rate in Australia. This will apply to businesses based regionally, with payrolls that comprise at least 85 per cent wages associated with regional employees.
- It was also confirmed, in accordance with a prior announcement, that the payroll tax-free threshold will increase to AUD650,000 from 1 July 2018.

- Funding will be provided to the State Revenue Office to continue and expand its work across several compliance programs, and implement technologies to enhance compliance.

The [\*State Taxation Acts Amendment Bill 2018\*](#) was subsequently introduced into the Victorian Parliament to deliver Budget initiatives and also to make a number of other amendments to Victoria's taxation and revenue laws, ensuring they continue to reflect the underlying policy intent. The Bill proposes to amend the following:

- *the Duties Act 2000* (VIC) in relation to:
  - the aggregation of the interests of all foreign persons for the purposes of the foreign purchaser additional duty
  - foreign purchasers who jointly purchase a principal place of residence with an Australian spouse or domestic partner
  - partners' interests in partnership property (in response to the decision in *Commissioner of State Revenue v Danvest Pty Ltd [2017] VSCA 382*)
  - property vested in apparent purchasers
  - exemptions for transfers of property between spouses or domestic partners
  - the exemption for equity release programs
  - principal place of residence exemptions and concessions for first home buyers who are members of the Australian Defence Force

- the exemption from duty payable in respect of first time purchasers of farmland by farmers under 35 years of age.
- the *Payroll Tax Act 2007* (VIC) to reduce the rate for payroll tax payable by regional Victorian businesses.
- the *Unclaimed Money Act 2008* (VIC) in relation to executors and administrators.

## Western Australian State Budget

The [2018-19 Western Australian State Budget](#) was delivered by the State Treasurer, the Honorable Ben Wyatt, on 10 May 2018. Key taxation measures announced in the Budget include:

- The rate of the foreign owner duty surcharge that was proposed to apply to purchases of residential property by foreign individuals, corporations and trusts from 1 January 2019 will now be raised to seven per cent (up from four per cent), in line with other Australian States and Territories. This means foreign purchasers of WA residential property will be subject to an effective duty rate in excess of 12 per cent.
- From 1 July 2018, a levy of 0.2 per cent, which is currently payable on all residential, commercial and civil engineering projects undertaken in WA where the total value of construction is over AUD20,000, will apply to engineering construction projects in the resources sector, which have been exempt from payment of the levy since 1995.
- The WA ‘exploration incentive scheme’ will continue, however the scheme will no longer be funded through the ‘Royalties for Regions’ program. The scheme will now be funded through a six per cent increase in tenement rentals charged by the Department of Mines, Industry Regulation and Safety.

## Northern Territory Budget

The [Northern Territory Budget for the 2018-19 financial year](#) was delivered on 1 May 2018 by Treasurer Nicole Manison. Key taxation measures announced in the Budget include:

- Introduction of the Local Employment Package, which will provide incentives to businesses that employ new NT residents from 1 May 2018 to 30 June 2020. The package will provide a payroll tax rebate, royalty incentives and deductions to encourage the hiring of local resident employees.
- From 1 July 2019, a hybrid royalty scheme will be introduced to ensure all operating mines in the territory pay a minimum royalty equal to the

greater of the existing 20 per cent profits-based scheme, or a value-based royalty on their gross mineral production revenue. Small mines with gross production revenue under AUD500,000 per annum will not be required to pay royalty.

- From 1 July 2019, a levy will be introduced at a rate of one per cent of unimproved capital value for vacant buildings, and two per cent for vacant undeveloped land in the Darwin CBD.
- Government fees and charges linked to revenue units will increase annually by the greater of three per cent or CPI, effective from 1 July 2018.
- Stamp duty exemptions for the transfer of petroleum permits and gas pipeline leases will be removed.
- Community gaming machine tax increases on hotels that were to commence 1 July 2018 will be deferred.

The [Revenue Legislation Amendment Bill 2018](#) was subsequently introduced into the NT Parliament to implement the 2018-19 Budget measures. The Bill amends the *Mineral Royalty Act* (NT), the *Payroll Tax Act* (NT), the *Petroleum (Submerged Lands) Act* (NT), the *Revenue Units Act* (NT), the *Stamp Duty Act* (NT) and the Gaming Machine Regulations.

## ACT land tax amendments now law

The [Land Tax Amendment Bill 2018](#), which amends the *Land Tax Act 2004* (ACT) to extend land tax to all residential dwellings that are not an owner’s principal place of residence and introduces a foreign ownership surcharge, has passed the Australian Capital Territory Parliament and received notification. The amendments commence on 1 July 2018.

## NSW issues land tax surcharge regulation

The NSW Treasurer has issued the [Land Tax Management \(Transitional\) Regulation 2018](#) to provide a transitional arrangement to enable refunds of surcharge land tax to be paid, where the NSW Chief Commissioner of State Revenue has determined (under section 104I of the *Duties Act 1997* (NSW)) that the surcharge should not have applied. The refund is to be available only if the 104I determination was made before 1 January 2018 and approved by the Treasurer.

## Revenue NSW clarifies the status of private rulings

Revenue NSW has issued [Revenue Ruling No. G 006 Version 2](#), which clarifies the status of private rulings and the conditions under which they will be

issued. Although most private rulings will relate to duty transactions or documents, private rulings can apply to all laws administered by Revenue NSW.

## Victoria to apply point of consumption tax to wagering and betting companies

The Victorian Government has [announced](#) that from 1 January 2019, a point of consumption tax will apply to wagering and betting companies. The tax will apply at a rate of eight per cent of the net wagering revenue derived from all wagering and betting activity by customers located in Victoria.

## Duty decisions

The following duty decisions have been handed down since our last update:

- The NSW Civil and Administrative Tribunal in [Al Haddad v Chief Commissioner of State Revenue \[2018\] NSWCATAD 91](#) has affirmed the Chief Commissioner's decision, finding the taxpayer was not entitled to a refund of ad valorem duty on the transfer of title in a property by operation of the concessional duty provisions (specifically section 55(1)(b) of the *Duties Act 1997* (NSW)), as the taxpayer failed to establish that they paid the whole of the purchase money for the property.
- The Victorian Civil and Administrative Tribunal in [Goletsos v Commissioner of State Revenue \[2018\] VCAT 730](#) has confirmed the decision of the Commissioner of State Revenue, finding that the transfer of property was not exempt from duty under section 36A of the *Duties Act 2000* (VIC). This was on the grounds that the transfer of property was not from a discretionary trust, but rather from a trust to which a unit trust scheme relates. The particular trust was a 'hybrid trust' which had units on issue, but the trustee has broad discretion as to the distribution of income and capital, which was not limited to the holders of units in the trust.
- The Supreme Court of NSW has found in [Adams Bidco Pty Ltd v Chief Commissioner of State Revenue \[2018\] NSWSC 735](#) that the taxpayer, who acquired an interest in a company that operated a poultry production business, was not liable to pay landholder duty as they were entitled to the primary producer exemption in

s163D of the *Duties Act 1997* (NSW). In reaching this conclusion, the Court had regard to the language and the context of s163D(2), which requires an evaluative judgment be made in determining whether the physical land is used for primary production, and does not require a determination of a primary producer status solely by reference to the area of its landholdings, including reference to the value of those landholdings.

## Land tax decisions

The following land tax decisions have been handed down since our last update:

- The NSW Civil and Administrative Tribunal in [Constable v Chief Commissioner of State Revenue \[2018\] NSWCATAD 94](#) has found the taxpayer was not exempt from land tax as they did not satisfy the primary production exemption. The Tribunal was not satisfied that the taxpayer had met the commerciality test in section 10AA(2) of the *Land Tax Management Act 1956* (NSW) as they failed to demonstrate that the use of the land, which was forested with a native forest, was for the purpose of profit during the relevant tax years.
- The NSW Civil and Administrative Tribunal in [Moore v Chief Commissioner of State Revenue \[2018\] NSWCATAD 88](#) revoked a NSW land tax assessment of land used for the growing of fresh sprouts and ancillary activities such as storing and preparing seeds, roasting, packing and storage, office space, and amenities. The Tribunal considered the land as a whole (and weighed up the relative factors affecting the relevant lots) and found that the dominant use of the land was for primary production activities.
- The Victorian Civil and Administrative Tribunal in [Polux Pty Ltd as trustee for Iatrou Business Trust No 2 v Commissioner of State Revenue \(Review and Regulation\) \[2018\] VCAT 528](#) was not satisfied that a 'Nomination of Beneficiary Form' was delivered to the Commissioner prior to the due date and the Commissioner had no power of extension in the relevant circumstances. This decision was relevant to the imposition of a land tax surcharge on certain trustees that owned Victorian land and that failed to notify the Commissioner about the trust and its land holdings.

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## Superannuation Update

### **Exposure draft law for super changes from the 2018-19 Federal Budget**

A range of measures were announced in the 2018-19 Federal Budget to protect the balances of superannuation accounts belonging to Australians, including a three per cent cap on passive fees charged by superannuation funds on accounts with balances of less than AUD6,000, and banning exit fees on all superannuation accounts. Furthermore, it will be a requirement to transfer inactive superannuation accounts to the Australian Taxation Office (ATO) where the balance is below AUD6,000. The ATO will also expand its data matching processes to reunite these inactive balances with active balances of those affected members.

To protect the superannuation balances of younger Australians, insurance within a member account must be opt-in, rather than default for members with balances under AUD6,000, members under the age of 25 and members whose accounts have not received a contribution in 13 months and are inactive.

All of these measures will take effect from 1 July 2019. The Government has released for consultation [exposure draft legislation](#) to implement these measures. Comments were due on the draft legislation by 29 May 2018.

### **Changes for SMSFs**

The Minister for Revenue and Financial Services has [announced](#) that the Government will expand the limit on the maximum number of members in self-managed super funds (SMSF) from four to six. SuperStream will also be extended to include SMSF rollovers, allowing SMSFs to initiate and receive rollovers electronically between an Australian Prudential Regulation Authority (APRA) fund and

the SMSF. These two measures were confirmed in the 2018-19 Federal Budget.

In addition, the Minister in a [speech](#) reminded trustees and members of SMSFs of the importance of being aware of their dual responsibilities, including using advice and guidance products from the regulators, and taking part in education courses. She also reiterated the government's opposition to the Australian Labor Party policy to abolish refunds of excess franking credits, which potentially affects SMSFs.

### **Preventing inadvertent concessional caps breaches**

In the 2018-19 Federal Budget, it was announced that eligible individuals can choose to nominate for their wages from certain employers to not be subject to superannuation guarantee (SG) from 1 July 2018. This will allow individuals to avoid breaching their concessional contributions cap when they receive superannuation contributions from multiple employers. Under the proposal, eligible individuals will be able to make an [application to the ATO](#) for an employer shortfall exemption certificate. This measure was subsequently introduced into Federal Parliament in the [Treasury Laws Amendment \(2018 Superannuation Measures No. 1\) Bill 2018](#), introduced into the House of Representatives on 24 May 2018.

### **Retirement Income Covenant Position Paper**

The Government has [released](#) a [position paper](#) outlining the proposed principles underpinning a retirement income covenant. This covenant would require trustees to help their members meet their retirement income objectives. The Government is currently developing disclosure requirements and expects to consult on a detailed proposal later in the year. Comments are due by 15 June 2018.

## **ATO issues draft MATS superannuation instrument**

The ATO has issued draft superannuation instrument [SPR 2018/D2: Draft Taxation Administration Member Account Transaction Service – the Reporting of Information Relating to Superannuation Account Transactions 2018](#). The instrument sets out the way in which superannuation providers, in relation to superannuation plans (excluding SMSFs), and life insurance companies, are required to give a statement to the Commissioner in relation to an individual's superannuation account transactions. As the Member Account Transaction Service (MATS) form is the approved form for the giving of the statement, penalties may be imposed for failure to lodge on time in the approved form. Comments were due on 14 May 2018.

## **ATO releases addendum to ruling on transitional CGT relief for superannuation funds**

The ATO has issued an [addendum](#) to law companion ruling [LCR 2016/8: Superannuation reform: transfer balance cap and transition-to-retirement reforms: transitional CGT relief for superannuation funds](#). The addendum amends the ruling to correct an error and to confirm, when applying the capital gains tax (CGT) 50 per cent discount provisions that a clear period of 12 months is required. The addendum was released on 2 May 2018 and applies on and from 8 March 2017.

## **Incorrect withholding for super payments**

The ATO has published [guidance](#) detailing what funds should do in circumstances where incorrect withholding tax has been applied to superannuation benefit payments, covering both over and under withholding, and current and past years.

## **ATO's areas of concern for SMSFs**

ATO Deputy Commissioner James O'Halloran gave a [speech](#) to the SMSF Expo in which he discussed various topics – notably, common areas of concern to the ATO for SMSFs, including the sole-purpose test, the in-house asset rules and unlawful schemes and arrangements.

## **ATO guidance on MATS and MAAS reporting obligations**

The ATO has released the following guidance materials on changes made that affect reporting obligations of the Member Account Transaction Service (MATS) and the Member Account Attribute Service (MAAS):

- [draft Fund Reporting Protocol Chapters on Contributions, Annual Amounts and Balances, and Amendments](#)
- [draft Fund Reporting Protocol Chapter Successor Fund Transfer](#).

## **United States – Definition of Qualified Foreign Pension Fund update**

Technical corrections and clarifications have been signed into United States law, which deal with the eligibility criteria for Qualified Foreign Pension Fund (QFPF) status. The key items involve an intended expansion of the criteria around the establishment and purpose of the non-US pension fund, and a clarification on the requirement for annual information reporting to a relevant tax authority. It also specifies that a non-US fund could still qualify as a QFPF if its income is excluded from tax in its home jurisdiction (instead of being subject to a reduced rate of tax). These amendments do not appear to make the position for Australian superannuation funds clearer, but they do change the analysis required.

## **New integrity measures**

On 24 May 2018, new integrity measures were introduced to Federal Parliament in the [Treasury Laws Amendment \(2018 Superannuation Measures No. 1\) Bill 2018](#). These changes ensure that the cap on tax-free retirement phase assets cannot be circumvented through the use of non-arm's length expenditure or certain strategies using limited recourse borrowing arrangements.

## **Tribunal finds person not qualified to be trustee of SMSF**

The Administrative Appeals Tribunal (AAT) has affirmed in [Hart and Commissioner of Taxation \[2018\] AATA 1267](#) the Commissioner's decision to disqualify a person from acting as the trustee of an SMSF because of numerous contraventions of the *Superannuation Industry (Supervision) Act 1993* (Cth) and also because he was not a fit and proper person to be an SMSF trustee.

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## Legislative Update

Federal Parliament resumed for the winter sittings on Tuesday 8 May 2018.

Since the May edition of TaxTalk Monthly, the following tax or superannuation-related Bills have been introduced into Federal Parliament:

- ***Treasury Laws Amendment (Personal Income Tax Plan) Bill 2018***. Introduced into the House of Representatives on 9 May 2018, this Bill proposes to give effect to the personal income tax cuts announced in the Federal Budget 2018-19. The Bill proposes to introduce the low and middle income tax offset to reduce the tax payable by low and middle income earners in the 2018-19, 2019-20, 2020-21 and 2021-22 income years, and to merge the low and middle income tax offset and the low income tax offset (LITO) into a new low income tax offset for income years 2022-23 and later. The Bill also proposes to progressively increase the income tax rate thresholds in 2018-19, 2022-23 and 2024-25.
- ***Treasury Laws Amendment (Medicare Levy and Medicare Levy Surcharge) Bill 2018***. Introduced into the House of Representatives on 24 May 2018, this Bill proposes to increase the Medicare levy and Medicare levy surcharge low-income thresholds and 'phase-in' limits for individuals, families and seniors in line with movements in the consumer price index (CPI). This measure gives effect to the proposal which was announced in the 2018-19 Federal Budget.
- ***Treasury Laws Amendment (Accelerated Depreciation for Small Business Entities) Bill 2018***. Introduced into the House of Representatives on 24 May 2018, this Bill proposes to give effect to the Federal Budget 2018-19 announcement to amend the tax law, extending by 12 months (to 30 June 2019) the period during which small business entities can access the accelerated depreciation rules.
- ***Treasury Laws Amendment (2018 Superannuation Measures No. 1) Bill 2018***. Introduced into the House of Representatives on 24 May 2018, this Bill proposes a number of measures to deal with superannuation, including:
  - a one-off 12-month amnesty to encourage employers to self-correct historical Superannuation Guarantee (SG) non-compliance
  - the Federal Budget 2018-19 measure to allow individuals to avoid unintentionally breaching their concessional contributions cap when they receive superannuation contributions from multiple employers
  - measures to ensure that the cap on tax-free retirement phase assets cannot be circumvented through the use of non-arm's length expenditure or certain strategies using limited recourse borrowing arrangements.
- ***Treasury Laws Amendment (Tax Integrity and Other Measures No. 2) Bill 2018***. Introduced into the House of Representatives on 24 May 2018, this Bill proposes to implement the Organisation for Economic Cooperation and Development's (OECD) recommended hybrid mismatch rules in Australia. The Bill also includes amendments to:
  - ensure that the film producer offset is better targeted at supporting the Australian film

industry when an offshore location is used for principal photography

- provide an income tax exemption for the ICC Business Corporation FZ-LLC (referred to as the IBC) for the period of 1 July 2018 to 30 June 2023 and to exempt from withholding tax payments of interest, dividend and royalties made to the IBC
- list the Melbourne Korean War Memorial Committee Incorporated as a deductible gift recipient.
- A Labor private members' Bill, *Treasury Laws Amendment (Axe the Tampon Tax) Bill 2018*, which proposes to remove the goods and services tax (GST) from sanitary products, was introduced in the Senate.

Income tax return season for the 2018 income year is soon to start as we draw close to the end of the current financial year. In this respect, the following legislative instruments were registered on 16 May

2018 that require the lodgement of income tax returns for the 2018 income year:

- [Notice of Requirement to Lodge a Return for the Year of Income Ended 30 June 2018](#). This instrument sets out which persons are required to lodge an income tax return or a self-managed superannuation fund annual return, franking return, venture capital deficit tax return or ancillary fund return for the year of income ended 30 June 2018, and the required due date, subject to any extensions. It also sets out which persons are exempt from the requirement to lodge a 2018 income tax return.
- [Notice of Requirement for Parents with a Child Support Assessment to Lodge a Return for the Year of Income Ended 30 June 2018](#). This instrument requires liable and recipient parents under a child support assessment to lodge an income tax return for the 2018 income year, by the due date specified in the instrument.

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## Other News

### Labor's 2018-19 Federal Budget response

The Federal Leader of the Opposition, Bill Shorten, in his [Budget Reply speech](#) stated that the Australian Labor Party will:

- Provide low and middle income tax cuts which go beyond the personal income tax cuts announced by the Government, and will support the Government's personal tax cuts starting 1 July 2018.
- Oppose the Government's business tax cuts.

- Reform negative gearing and capital gains.
- Eliminate income-splitting in discretionary trusts.
- Undertake dividend imputation reform to ensure no cash refunds of excess franking credits.

For further details on the Labor Party's policies, including details of the forward tax agenda, refer to PwC's [Federal Budget 2018-19 insights webpage](#).



## Board of Taxation Review of Small Business Tax Concessions

The Board of Taxation has [announced](#) that it will conduct a review on small business tax concessions. The Board's review will involve assessing the effectiveness of existing concessions and, where appropriate, recommending new concessionary approaches to the Government. The Board is intending to provide its advice to the Government in October 2018. A [consultation guide](#) has been released which sets out the current suite of tax concessions applying to small business, and the Board's proposed principles for evaluating and improving the framework of tax relief. It also poses questions for stakeholders to consider in making a submission in response, which is due by 20 July 2018.

## Re-appointment of part-time members to the Board of Taxation

The Minister for Revenue and Financial Services has [announced](#) the reappointments of Mr Neville Mitchell, Ms Karen Payne and Mrs Ann-Maree Wolff as part-time members of the Board of Taxation, each for a further three-year period, commencing from 14 May 2018.

## IGT's review into the ATO's use of Garnishee Notices

The Inspector-General of Taxation (IGT) has commenced a [review into the Australian Taxation Office's \(ATO\) use of garnishee notices](#), as well as relevant themes emerging from complaints made to his office in response to allegations raised during the ABC's Four Corners program, which aired on 9 April 2018. The IGT's review will focus on the ATO's:

- 1 strategies to manage tax debts by way of garnishee notices
- 2 policies and procedures for issuing garnishee notices, including how the ATO considers circumstances of taxpayers such as vulnerable small businesses and individuals
- 3 mechanisms to ensure staff adherence to its garnishee notice policies and procedures
- 4 key performance indicators (KPI) with respect to both tax debt collection and staff performance
- 5 specific communications to staff regarding the use of garnishee notices and associated KPIs at each location of its debt recovery units
- 6 other relevant concerns or potential improvements identified during the course of the review.

Submissions are due on 22 June 2018.

## Consultation on measures from Black Economy Taskforce

The Government has [released](#) its response to the Black Economy Taskforce's [final report](#) in the 2018-19 Federal Budget. The Government's response to the Taskforce's Final Report endorsed most of the recommendations made (including supplementary recommendations) and included a 'whole-of-government blueprint' for tackling the black economy. We discuss the measures announced to target the black economy in detail in PwC's [Federal Budget 2018-19 analysis](#). The Government has commenced a consultation process seeking public and stakeholder views on the following related measures announced in the Federal Budget 2018-19:

- Increasing the integrity of the Commonwealth procurement processes. The Minister for Revenue and Financial Services has [released](#) a [consultation paper](#) on the proposal which will require, from 1 July 2019, businesses seeking to tender for Australian Government procurement contracts over AUD4 million (including GST) to provide a statement from the ATO indicating that they are generally compliant with their tax obligations. Submissions are due by 15 June 2018.
- The introduction of an economy-wide cash payment limit of AUD10,000 for transactions that take place from 1 July 2019. The Minister for Revenue and Financial Services has [released](#) a [consultation paper](#) on the proposal. Submissions are due by 24 June 2018.

## Australian Energy Regulator investigation

The Australian Energy Regulator (AER) is conducting a [review of its regulatory tax approach](#), and has released an [issues paper](#) to commence the review. The review was prompted by concerns that there was a material difference between the AER's expected tax costs for regulated electricity networks and gas pipelines, and the actual tax payments to the ATO by these regulated energy networks. The review will consider whether changes to its regulatory tax approach are appropriate to ensure that energy consumers pay no more than necessary for the safe and reliable delivery of electricity and gas services. Submissions were due before 31 May 2018.

## Senate inquiry into the financial and tax practices of for-profit aged care providers

The Senate has referred an inquiry into the [financial and tax practices of for-profit aged care providers](#) to the Senate Economics References Committee. The [terms of reference](#) for the inquiry include, among other things, the use of any tax avoidance or aggressive tax minimisation strategies of for-profit aged care providers. The Committee will hand down its report by 14 August 2018. Submissions are due by 8 June 2018.

## Labor Party anti-corporate bribery package

The Labor Party has announced its [anti-corporate bribery package](#), which will remove the ability to claim a tax deduction for a facilitation payment which is a minor payment made to a public official for the purpose of speeding up a minor routine government action. It will also remove the facilitation payment defence to the core foreign bribery offences currently in the Criminal Code.

## ATO updates fraud or evasion practice statement

The ATO has updated its law practice statement [PS LA 2008/6](#) on fraud or evasion. This updated practice statement provides guidance to ATO staff considering fraud or evasion in the context of the unlimited time periods that allow the Commissioner to amend assessments (or to seek the payment of indirect tax which has been underpaid) due to fraud or evasion. It outlines what constitutes fraud or evasion, the policy reasons for having an unlimited amendment period where there is fraud or evasion, the principles underpinning the ATO's approach to fraud or evasion, and the procedures and work practices to be followed – including technical engagements and referrals – when considering fraud or evasion. In addition, the ATO has released [guidelines](#) which support the policy and principles set out in the practice statement.

## Federal Court applies promoter penalty laws

The Federal Court in [Commissioner of Taxation v International Indigenous Football Foundation Australia Pty Ltd \[2018\] FCA 528](#) has held that a company and its director engaged in conduct that resulted in the company being a promoter of tax exploitation schemes involving research and development (R&D) incentives, and has ordered the company to pay a civil penalty of AUD4.25 million. The Court found that both the company and its director had breached the promoter penalty laws in relation to the relevant schemes.

## Court finds taxpayer was correctly assessed on trust amounts

The Full Federal Court in [Hart v Commissioner of Taxation \[2018\] FCAFC 61](#) has found that amounts paid to the taxpayer under a convoluted series of arrangements was assessable income. The broad effect of each scheme was to divert earnings away from the taxpayer, or entities he controlled, and direct it ultimately to a company with carry forward tax losses, and then following a series of gifts and subscriptions for capital, pay the relevant amounts to the taxpayer. The taxpayer failed to demonstrate that he did not receive the funds paid to him beneficially, i.e. the amounts received was his reward for the provision of legal services. In addition, the Court found that the taxpayer had not discharged the onus of demonstrating that the alternative transactions postulated would not have been subject to the general anti-avoidance provisions in Part IVA of the *Income Tax Assessment Act 1936* (Cth).

## New deductible gift recipients

The Government has [announced](#) that the Paul Ramsay Charitable Foundation Limited, Smile Like Drake Foundation Limited, Q Foundation Trust, Victorian Pride Centre Limited, Australian Sports Foundation Charitable Fund, and the Australian Women Donors Network have received deductible gift recipient (DGR) status.

**Let's talk**

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