

# Activity statement update 2009–10

# Q4

## Using registered agents



With the introduction of the new *Tax Agent Services Act 2009* there are benefits to taxpayers who use a registered tax agent or BAS agent. If you are paying someone to do your BAS, make sure they are registered.

The new law includes a Code of Professional Conduct which aims to ensure services provided to you, by registered agents, meet appropriate ethical and professional standards.

Taxpayers are further protected by safe harbour provisions (administered by the ATO) which may guard you from administrative penalties, where your agent did not take reasonable care.

Visit [www.ato.gov.au/newregime](http://www.ato.gov.au/newregime) for more information about safe harbour provisions.

### Do you need to register with the Tax Practitioners Board?

#### **I am in business and I do my own BAS or have employees responsible for this**

You are not required to register as a BAS agent if you do your own BAS or are an employee who is performing BAS services on behalf of the business.

#### **My business pays a business to do our BAS**

You should make sure your agent is registered but your business does not need to register. When you use a registered tax agent or BAS agent you are protected by new safe harbour provisions in some circumstances.

#### **I have been providing a BAS service for a fee or other reward**

Yes, you need to register.

### BAS service providers notify now!

If you provide BAS services for a fee or other reward, you have until 31 August 2010 to register with the Tax Practitioners Board. To make registration as easy as possible, there are generous transitional arrangements in place enabling you to:

- notify the Board that you satisfy the requirements for registration, and
- be taken to be registered for two years from 1 March 2010.

These arrangements allow you time to gain the educational qualifications and experience required by the Board.

If you need to register, time is running out to use the notification method!

Visit [www.tpb.gov.au](http://www.tpb.gov.au) to notify online or for more information.



# Meeting your employer obligations made easy

SBR

SBR will make it quicker and easier to meet your employer obligation requirements and help improve your business practices, including record keeping and cash flow management.

From July 2010, the ATO will accept on-line lodgements from SBR-enabled software of:

- tax file number (TFN) declarations
- pay as you go (PAYG) payment summaries
- fringe benefit tax (FBT) returns
- business activity statements (BAS).

A full list of forms in scope is available at [www.sbr.gov.au](http://www.sbr.gov.au)

SBR streamlines business-to-government reporting, allowing you to automatically fill forms from your financial, accounting or payroll software, and to send them securely online to the right government agency.

## ➤ MORE INFORMATION

- Check whether your software provider is offering SBR-enabled software and the forms they will be supporting.
- Find out how to submit your BAS using SBR-enabled software with our demonstration presentation [www.sbr.gov.au/BAS](http://www.sbr.gov.au/BAS)
- The SBR blog – [www.blog.sbr.gov.au](http://www.blog.sbr.gov.au) – provides a forum for businesses, reporting professionals, software providers and other members of the public to discuss SBR online
- Learn more at [www.sbr.gov.au](http://www.sbr.gov.au) and work through the SBR online training modules.

## Hiring workers?

Having an ABN doesn't necessarily mean a worker is a contractor. Key factors in deciding whether a worker is an employee or a contractor are:

- the degree of control you can exercise over their work
- whether the worker is being paid for the time they work or for the result of their work.

Visit [www.ato.gov.au/employeecontractor](http://www.ato.gov.au/employeecontractor) to determine if your workers are independent contractors or employees, and to understand your tax and superannuation obligations.

Find out whether your workers are entitled to an Australian business number (ABN). Visit [www.abr.gov.au](http://www.abr.gov.au) select 'Help' and search for 'ABN entitlement'.

Visit [www.ato.gov.au/employers](http://www.ato.gov.au/employers) for more information and tools to help you with your obligations as an employer.

## Withholding tax tables

We no longer mail tax tables to you when tax rates change. The tables are available on our website. If you require paper copies of tax tables they will still be available from newsagents, ATO shopfronts or for order through our usual channels.

- To access PAYG withholding tax tables, visit [www.ato.gov.au/taxtables](http://www.ato.gov.au/taxtables)

## GDP adjustment for 2010–11 is 2%

Each year we adjust your pay as you go (PAYG) instalment amount using a formula that takes into account the expected growth in the economy. This is known as the gross domestic product (GDP) adjustment and is based on data published by the Australian Bureau of Statistics.

For the 2010–11 income year, the GDP adjustment will remain at 2%.

## Varying PAYG instalments

You can vary your pay as you go (PAYG) instalment amount or rate on your activity statement if the existing PAYG instalment amount or rate no longer reflects your anticipated end-of-year position.

You may be liable to pay a variation penalty where the varied instalment amount or rate is less than 85% of what should have been used. Generally, you will not incur the variation penalty if the variation was considered reasonable, taking into account your particular circumstances.

- Visit [www.ato.gov.au](http://www.ato.gov.au) and enter 'QC6003' in the search bar to find out more about varying your instalments.

## Electing to pay your PAYG instalments annually

If you are eligible to pay annually and wish to do so, you must advise us by the date on which your first quarterly instalment would otherwise be due.

To make an election to pay annually, phone **13 72 26** and follow the verbal prompts. You will be required to provide some proof of identity, such as your tax file number (TFN) or an Australian business number (ABN).

## Lodging your income tax return

You must still lodge your income tax return even when you have met all of your activity statement and instalment notice obligations for the income year.

When your income tax return is assessed you will be entitled to a credit for your pay as you go (PAYG) instalments payable for the income year.

## Changing your address?

You can have different addresses for activity statements and income tax.

When you lodge an income tax return, we automatically update your income tax address. However, we do not update the address for activity statements and instalment notices.

You can update your address for activity statement and instalment notices:

- Online – use
  - the Business Portal
  - the Australian Business Register at [www.abr.gov.au](http://www.abr.gov.au)
- Phone **13 28 66**.



## Latest fuel tax credits information online

Information products on our website are regularly updated due to legislative changes or new ATO rulings.

To ensure you have the latest information about fuel tax credits, you need to regularly check [www.ato.gov.au/fuelschemes](http://www.ato.gov.au/fuelschemes)

You can check the version of your paper copy against the online version by looking at the NAT numbers. You'll find the NAT number on the front page of the online PDF file. It is the month and year fields that determine the version.

When checking our website for the latest news, remember to bookmark your frequently visited sites and save them to your 'favourites'.

## Reminder – employer reporting for employee share schemes

Since 1 July 2009, there have been new rules for the taxation of employee share schemes (ESS).

An ESS is a scheme under which shares, stapled securities or rights to acquire them (ESS interests) are provided to an employee or their associate in relation to the employee's employment.

The new rules require that for each income year employers must:

- provide a statement to the ATO and their employees, detailing the ESS interests they have issued, or those for which a taxing point has occurred in that income year
- withhold tax on the discount given on ESS interests provided to an employee, where that employee has not quoted their TFN or ABN to their employer, by the end of the income year in which tax is payable by the employee.

➤ Visit [www.ato.gov.au/essemployer](http://www.ato.gov.au/essemployer) to find out more about how the ESS changes will affect you as an employer.

# A helping hand

## NO BUSINESS ACTIVITY?

Always lodge a nil activity statement. Phone **13 72 26**

## MAKING A PAYMENT ARRANGEMENT?

You need to lodge even if you are unable to pay.

To make a payment arrangement, phone:

- business **13 72 26**
- personal **13 28 65**

## GST RULINGS AVAILABLE

- Electronic summaries of GST public rulings are available from [www.ato.gov.au/gst](http://www.ato.gov.au/gst)
- To subscribe to alerts, visit [www.ato.gov.au](http://www.ato.gov.au) and select 'Subscribe' from top right navigation bar

## ➤ MORE INFORMATION

- visit [www.ato.gov.au](http://www.ato.gov.au)
- phone us on **13 28 66** between 8.00am and 6.00pm Monday to Friday.

If you do not speak English well and want to talk to a tax officer, phone the Translating and Interpreting Service on **13 14 50** for help with your call.

If you have a hearing or speech impairment and have access to appropriate TTY or modem equipment, phone **13 36 77**. If you do not have access to TTY or modem equipment, phone the Speech to Speech relay Service on **1300 555 727**.



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Australian Government



TAX PRACTITIONERS BOARD



# BAS SERVICE PROVIDERS GET ON BOARD

If you provide BAS services for a fee you need to register with the Tax Practitioners Board.

To take advantage of generous transitional arrangements – notify online before 31 August 2010, and you:

- can register for free
- are taken to be registered for two years from 1 March 2010
- secure time to gain educational qualifications and experience required by the Board.

Time is running out to notify, don't delay!

Visit [www.tpb.gov.au](http://www.tpb.gov.au) for more information.