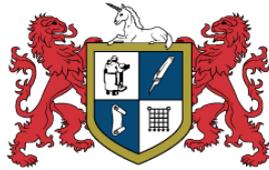


Client eBrief



THE INSTITUTE
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BOOKKEEPERS



Home Office Running Expenses

If you are working from home, we would like to remind you to keep records and receipts for all home office expenses, along with a record of the hours worked from home. Keeping good records now will help to get your deductions right at tax time.

Note that the hourly rate using the short cut method has been lifted to 80 cents an hour for the period starting 1 March 2020 until at least 30 June 2020 to facilitate an easier claim process during COVID-19. This method may be extended by the ATO, depending on when work patterns start to return to normal.

Basic Principles

Pre-requisites for deductions include the conditions that:

- the taxpayer has actually incurred the expenses and has not been reimbursed and
- there must be a real connection between the use of the home office or device and the taxpayer's income-producing work.

If the taxpayer uses their home office or device for work purposes and private purposes, only the expense related to the work usage can be claimed as a deduction.

In effect, a taxpayer can claim a deduction for the **additional** expenses they incur, because they can establish that they incur these additional expenses as a result of their income-producing activities.

Heating, cooling and lighting expenses are only available where the taxpayer exclusively uses these services while they work from home. This means, for example, that a taxpayer working on their laptop whilst sitting on their couch next to their partner who is watching TV will have no additional expenditure on heating, cooling or lighting, but they may have some computer, phone or internet expenses which are work-related.

These dates are from the ATO website and do not take into account possible extensions.

You remain responsible for ensuring that the necessary information is with us in time.

BAS/IAS Monthly Lodgements

Final dates for lodgements and payments:

April Activity Statement:
21 May 2020

May Activity Statement:
21 June 2020

BAS Quarterly Lodgements

Final dates for lodgements and payments:

**3rd Quarter 2020 Financial Year:
March Quarter 2020 (incl. PAYG)**
28 April, 2020

When a due date falls on a Saturday, Sunday or Public Holiday*, you can lodge or pay on the next business day.

*A day that is a public holiday for the whole of any state or territory in Australia.

Bushfires across Australia: Those affected by the recent bushfire emergency are eligible for extensions in activity lodgement deadlines. Please check with us for details.

Due date for super guarantee contributions:

4th Quarter 2020 Financial Year:

April to June 2020 – contributions must be **in the fund** by 28 July, 2020

Late payments of superannuation are **not** tax deductible.

Note that the deduction is allowed in the year that the payment is made. Therefore, for the fourth quarter, if the business wants to claim the tax deduction in the same financial year as the SGC is incurred, the payment must be received into the super fund by that 30 June..

Refer to the ATO for details regarding any SGC charges applicable if not paid by due date.

SG Amnesty is currently available for late/overdue super up to March 2018. Please note this Amnesty finishes on 7th September 2020.

If your business has late/overdue superannuation guarantee payments and you are unsure the correct process of how to proceed in regards to this, please contact us to discuss.

Special Rules for Home Office Running Expenses

Taxpayers can calculate their home office running expenses by:

- keeping records and written evidence to determine their work-related proportion of actual expenses incurred or
- use a rate of 52 cents per hour effective from 1 July 2018.

Note: You can claim a deduction of 80 cents for each hour you work from home **due to COVID-19**. The ATO understands that tracking these expenses can be challenging at this time. They will accept a temporary simplified method (or shortcut method) of calculating additional running expenses for the period **starting 1 March 2020 until at least 30 June 2020**. This method may be extended by the ATO, depending on when work patterns start to return to normal.

Taxpayers who use the rate per hour method to claim a deduction for home office running expenses only need to keep a record to show how many hours they work from home. They can do this over the course of the year, or if their work from home hours are regular and constant, by keeping a record for a representative four-week period.

This method incorporates all of the items that a taxpayer can claim as a home office running expense including lighting, heating, cooling, cleaning costs, and decline in value of home office items such as furniture and furnishings in the area used for work.



Explaining the Monthly JobKeeper Claim Form

Submission of the Claim Form

The submission of the Monthly Form on the ATO website is:

- An approved form, in Law, and therefore you **MUST** be authorised to lodge and have a Client Declaration
- The Claim form – an employer will **NOT** be paid unless they lodge this monthly form
- April report must be lodged by 31 May

May report: The law requires it to be lodged in 7days unless the Commissioner allows longer. We have requested the end of the following month is reasonable.

GST Turnover

ATO have now advised that the GST Turnover fields on the monthly report should be:

“Entities should make a genuine effort to calculate and report current and projected GST turnover. If you later identify errors in the calculation, you will not be required to re-report to the ATO.

“If the error is related to employee details or payments made, and will impact the amount of the JobKeeper payment(s), the employer/agent will need to call the call centre. There is no online amendment capability.”

They have also advised that the GST turnover is to be calculated on the **SAME** basis as the decline in turnover test was calculated.

They have explicitly called out that the Monthly report of GST Turnover is not being used to re-assess any Decline in turnover.

They do note that if the projected decline that was used is unreasonable then they make enquiries.

Different Experiences - employee list

The ATO system provides a different experience depending on whether the employee has used payroll software with STP reporting and again a slightly different experience if you are using JobKeeper Codes in that software.

Payroll Software with STP and using JobKeeper Codes

The ATO are informed of the employers "eligible employees" through the use of the JobKeeper-Start codes.

Employer will NOT (currently) see the employee list nor be able to maintain it on the ATO website.

The ATO will prefill the number of employees – if it is incorrect then "edit" them, check the software is reporting the correct employees to ATO through STP.

Payroll Software with STP and NOT using JobKeeper Codes

The ATO are informed of the employers' employees through STP reporting.

The Employer will be provided with the employee list and will be able to indicate JK status on the ATO website. They will also be able to add any missing employees.

The ATO will not prefill the number of employees in April, but will do so in May and following.

Payroll without STP software.

The ATO do not have the eligible employees and therefore the employee must add them.

- For less than 40 – this can be performed on screen
- For more than 40 they are required to complete a CSV file and submit it to the ATO.

The Employer will be provided with the ability to add employees and indicate the JK status.

The ATO will not prefill the number of employees in April, but will do so in May and following.

Disclaimer: All or any advice contained in this newsletter is of a general nature only and may not apply to your individual business circumstances. For specific advice relating to your specific situation, please contact your accountant or contact me for further discussion.

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