

tax news

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1. GIFTS OF SHARES VALUED AT UNDER \$5000 ARE TAX DEDUCTIBLE

From 1 July 2007, if you make a gift of listed shares valued at \$5,000 or less that you acquired at least 12 months earlier, you could be eligible to claim a deduction.

What requirements must be met for the gift to be tax deductible?

For the gift to be tax deductible, **all** of the following requirements must be met:

- The shares were acquired in a listed public company
- When the shares were gifted, they were listed for quotation on the official list of an Australian stock exchange.
- The shares were gifted to a deductible gift recipient
- The shares were acquired at least 12 months before they were gifted.
- The market value of the shares was \$5,000 or less on the day they were gifted

Note: *The Gifting is considered a CGT event.
The Gift must be to a deductible gift recipient (DGR)*

2. OCTOBER 2007 TAX AGENTS PORTAL UPDATE

The ATO have instigated a Tax Agent Portal update in the last month.

These changes have added some new functions to the Tax Agent Portal, and enhanced some existing functions.

These changes allow you to:

- Search, view, vary and lodge quarterly pay as you go (PAYG) and goods and services tax (GST) instalment notices (R, S, and T forms) and make revisions to these forms
- Download and print personalised payment slips in real-time from the Payment Options screen, and
- Filter, view, download and print 'Income Tax lodgement status' reports that will have similar functionality to electronic lodgement service (ELS) reports.

3. DID YOU KNOW?

Taxpayers cannot claim administration costs of Salary Sacrifice schemes

These fees are payable by the employee, but as they relate to non assessable income there is no claim as they are expenses incurred in earning non assessable income. ATOID 2003/566

Can a taxpayer, who has recently become an Australian Tax Resident, who sells CGT asset within 12 months of becoming an Australian tax Resident (that they owned for more than 12 months of becoming an Australian Tax Resident), use the discount method of calculating the Capital Gain?

No, the taxpayer is deemed to have acquired the asset at the date they became a resident, therefore the 50% discount is not available to this taxpayer. ATOID 2003/628

Do Depreciating assets form part of the cost base of an investment property?

No - they are excluded from the cost base. Private ruling number 31891

4. ATO/TREASURY UPDATES

Treasury Updates

Australians With Terminal Illness Will Be Able To Draw Super Tax Free

The Minister for Revenue and Assistant Treasurer, Peter Dutton, announced that the Government would exempt people with a terminal illness who access their superannuation under the age of 60 from the tax on their lump sum benefit.

Individuals under the age of 55 who access a lump sum superannuation benefit from a taxed superannuation fund are currently subject to a maximum tax rate of 20 per cent (plus the Medicare levy). This tax is generally withheld by the superannuation fund when it makes the lump sum payment.

Until the legislation passes into law, the Government has asked the Commissioner of Taxation to consider changing the rate at which superannuation funds are required to withhold from payments to people in these situations. Amendments to the legislation will have effect for payments received after today. OPS 2007/9

ATOIDS

ATOID 2004/904

Issue

Are the profits derived by a non resident taxpayer, carrying on a business, in Australia, as a share trader assessable in Australia?

Decision

Yes these profits are assessable in Australia

5. TAX LODGEMENT DATES

21st October 2007	Monthly BAS'S and payment due
31st October 2007	Appointment of tax agents CU forms for non Tax Agent Clients Outstanding returns one or more years are due to be lodged
25th November 2007	Quarterly BAS'S Quarter 1 2008 ELS lodged BAS's