

Client eBrief



Institute of Certified Bookkeepers
Making you count



Simpler Business Activity Statements

The New World of GST Codes - Simpler BAS

GST or Not Included

The ATO has simplified the GST reporting system to make it simpler for a business to conduct its trading with less complexity in applying the GST law.

To trade in Australia a business must:

1. Obtain an ABN.
2. Decide whether to register for GST, (compulsory once your turnover is more than \$75,000pa for a business, or \$150,000 for Not-for-Profit entities. Transport providers must register regardless of turnover).
3. Understand what sales the business makes and how GST is to be applied to those sales.
4. Understand what GST the business pays on its expenses and know how much GST it is allowed to claim back.

Simpler BAS System

- When conducting business or doing the books:
 - Code sales where GST applies to the "GST" code.
 - Code expenses that have GST you are allowed to claim back to "GST" code.
 - All other sales and expenses can be coded to "Not Reportable" or "Excluded" codes.
- On each BAS, report the amount of GST collected in 1A and the amount of GST to be claimed back in 1B.
- Report the total of all sales in G1, (report this value from the profit and loss for the same period).

Tax Codes and Reporting Fields

It will no longer be required to report export sales, GST free sales, capital purchases or non-capital purchases on the BAS.

You will still need to report PAYG Withholding, PAYG Instalments, Wine Equalisation Tax, Fringe Benefits Tax, Fuel Tax Credits and Luxury Car Tax if required for your business.

ATO Lodgement Dates

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 Lodgement – December Activity Statement: 21st January, 2017 final date for lodgement and payment.

BAS/IAS Monthly Lodgement – January Activity Statement: 21st February, 2017 final date for lodgement and payment.

BAS/IAS Monthly Lodgement – February Activity Statement: 21st March, 2017 final date for lodgement and payment.

2nd Quarter of FY 2017: BAS Lodgement – October to December 2016 (including PAYGI) 28th February, 2017 final date for lodgement & payment

3rd Quarter of FY 2017: BAS Lodgement – January to March 2017 (including PAYGI) 28th April, 2017 final date for lodgement & payment

When a due date falls on a Saturday, Sunday or Public Holiday, you can lodge or pay on the next business day. A public holiday is a day that is a public holiday for the whole of any state or territory in Australia

Due date for super guarantee contributions, for **2nd Quarter of FY 2017**, October to December 2016 - contributions to be made to the fund by 28th January, 2017

Due date for super guarantee contributions, for **3rd Quarter of FY 2017**, January to March 2017 - contributions to be made to the fund by 28th April, 2017

The super guarantee charge is not a tax deduction if not paid by these dates.

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

You and/or your bookkeeper may still choose to use multiple tax codes for reporting and/or auditing purposes; however, the BAS reporting will be simplified.

You are still required to keep all records as required by the ATO to validate all business transactions.

Who Does it Apply to?

Under the new "Small Business" definition, any business with turnover below \$10m will lodge the new Simpler BAS.

When?

Simpler BAS system starts on 1 July 2017.

Why?

Simpler BAS has been introduced because of the complexity of applying GST law to business i.e., different types of sales have different types of GST classifications; the same goes for expenses. The BAS reporting has required allocation of every sale between one of at least six different reporting options and expenses between seven options. The allocation between these reporting classifications has been inaccurate and does not alter the amount of GST to be paid or claimed. Government are simplifying business by allowing a business to report with a basic system that is closely aligned to just getting on with doing business

What to do

- When making a sale do you have to charge GST?
 - Code it to GST, code everything else to **not**
- When incurring expenses, did you pay GST that you can claim back?
 - Code it to GST, code everything else to **not**

Consult with your registered BAS Agent Member of the ICB to apply Simpler BAS to your business.



Single Touch Payroll - Updated

Your Payroll seen by the ATO All year

The Single Touch Payroll (STP) legislation has passed through Parliament. It is law and is going to happen!

Who?

All "substantial" employers, (more than 20 employees by headcount), must participate.

- The count happens as of 30 April each year.
- You must enter STP as of 1 July 2017.

Anyone can elect to enter STP earlier.

What?

You submit payroll and superannuation data to the ATO each "PayEvent".

A PayEvent is each time you pay someone and should be generating a pay slip. Some of the data on the pay slip is now sent to the ATO.

- The year-to-date totals of gross wages and gross tax for each employee being paid.
- The amount of Superannuation Guarantee that has been accrued.

Superannuation payment information is also sent at the time of paying your Superannuation Guarantee Contribution, (SGC).

How?

Your payroll software should do it all for you.

If you do not have accounting software or internet, the ATO are considering other reporting mechanisms.

When?

The ATO is required to be ready to receive STP information as of 1 July 2017.

Substantial employers must provide STP information from 1 July 2018.

Other employers are not required to provide STP information at this time.

Any employer can enter STP as soon as they are able.

Why?

- The ATO will gain greater visibility of all employers, enabling earlier activity to ensure the employer is paying their PAYGW and their SGC.
- The employer will not be required to provide payment summaries to their employees.
- The ATO will prefill tax returns with the payroll information.
- The ATO will make the payroll information available to employees all year through myGov.

Future

The ATO will streamline the process for a new employee by automating the Tax File Number Declaration and SuperChoice form into payroll software and myGov.

Note:

The employer's payroll records are the "source of truth". Therefore, any amendments to past pays, or any fixes required are updated in the employer's records and at the next PayEvent the ATO receive the updated information. There is no need to go back and amend past PayEvents.

The employer will still have to "finalise" a payroll year by indicating to the ATO that the information they are now being sent is the final version and can be used for tax returns.

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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