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ACCOUNTANTS & BUSINESS ADVISORS

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Newsletter ~ May 2022

No reduction in the Private Health Insurance rebate as of 1 April 2022

The Australian Government rebate on PHI is annually indexed on 1 April by a Rebate Adjustment Factor ('RAF') representing the difference between the Consumer Price Index and the industry weighted average increase in premiums. The RAF for 2022 has been calculated as 1. This means there will be no changes to the PHI rebate on 1 April 2022.

ATO ramps up identity fraud detection for new SMSFs

Around a quarter of the individuals being identified as high risk under the ATO's new registrant program have compromised identities. ATO deputy

Outstanding tax debts will effect you credit rating

The ATO is in the process of writing to taxpayers that may be eligible to have their tax debts disclosed to credit reporting bureaus ('CRBs'). The ATO can potentially report outstanding tax debts to a CRB where the following criteria are satisfied:

- The taxpayer has an Australian business number and is not an excluded entity;
- The taxpayer has one or more tax debts and at least \$100,000 is overdue by more than 90 days;
- The taxpayer is not engaging with the ATO to manage their tax debt; and

Excluded entities are a deductible gift recipient, a complying superannuation

commissioner, Emma Rosenzweig said that with the ATO seeing more and more instances of stolen identities being used to set up new SMSFs, identity fraud is an important feature of the ATO's new registrant program for SMSFs. The ATO's new registrant program undertakes a risk assessment of individuals entering the SMSF sector and refers any entrants that are considered high risk for further scrutiny. Under the ATO's risk assessment around 25 percent of members as a high risk due to their identity being compromised. The ATO's use of alerts has helped prevent a number of fraudulent activities from occurring. When a new SMSF is set up or a member is added to an existing SMSF, the ATO sends an alert via text message or email to the members of the SMSF. We also send an alert to members when changes are made to an existing SMSFs bank account, electronic service address or authorised contacts.

We stress the importance to not provide any of your personal details to any person or organisation that cannot prove their identity. If you are unsure of

fund, a registered charity and a government entity.

The letter will be sent to all taxpayers with business tax debts that currently meet the criteria (discussed above) for disclosure.

This letter from the ATO provides business taxpayers with information on how to effectively engage with the ATO to manage their tax debt. Taxpayers can avoid disclosure to a CRB by making payment in full or negotiating a payment plan. Before the ATO takes any final action to disclose a tax debt, it will issue the taxpayer with a formal Intent to Disclose Notice.

If a taxpayer receives an Intent Notice, asking them to 'Act now or your tax debt will be reported to credit reporting bureaus', the taxpayer or their tax agent must contact the ATO within 28 days of receiving the notice to avoid the debt being reported. It is crucial for taxpayers to engage with the ATO early before their debts become unmanageable.

Director ID application reminder

any correspondence you have received, please contact our office or the organisation directly via their official website only.

ATO reports back on TBAR consultation

While the ATO is still making decisions around the transfer balance account reporting framework, it has confirmed there are no changes for the coming financial year. In November last year, the ATO initiated a consultation on plans to implement a streamlined framework for reporting transfer balance cap events. There are currently two different time frames for transfer balance cap events-based reporting, depending on total super balances. One of the proposals in the consultation is to move to a framework where all SMSFs report on a quarterly basis.

A quick note to all directors of Australian companies that the application deadline for your director ID is fast approaching. The director ID program has been newly introduced by ASIC and is required by law. Our office has sent out an instruction guide to assist in this application, however if you do require assistance, please contact our office.



April 2022 Monthly Instalment Activity Statement	Lodgment & payment	21st May 2022
May 2022 Monthly Instalment Activity Statement	Lodgment & payment	21st June 20212