



Small business updates

Welcome to 2022! January is traditionally a quiet time for many businesses, but the ATO hasn't stopped providing useful information to help small business owners and workers navigate what is sure to be another busy year.

Here are the latest updates from the ATO.

ATO help for small businesses

The ATO has a range of support available for small businesses experiencing difficult situations, such as natural disasters, mental health challenges or financial hardship. The difficulties may be related to the COVID-19 pandemic.

Depending on your circumstances, the ATO may be able to:

- give you extra time to pay your tax;
- set up a payment plan tailored to your situation;
- re-issue tax returns, activity statements and notices of assessment (e.g. if you need to access government payments or concessions);
- help you reconstruct lost or damaged tax records;
- prioritise any refunds you are owed;
- remit penalties or interest charged during the time you have been affected.

Tip! Talk to 145 financial if you are experiencing difficulties meeting your tax obligations. We can contact the ATO on your behalf.

Do your employees travel for work? Is it a travel allowance or LAFHA?

If you have employees who travel for work, the ATO has published new guidance ([Taxation Ruling TR 2021/4](#) *Income tax and fringe benefits tax: employees: accommodation and food and drink expenses travel allowances, and living-away-from-home allowances*) to help you determine whether to pay them a travel allowance or a living-away-from-home allowance (LAFHA).

It is necessary to determine whether that allowance is a travel allowance or a LAFHA as they are subject to different tax treatments.

What is a travel allowance?

A travel allowance is an allowance that an employer pays to an employee to cover losses or outgoings that:

- an employee incurs for travel away from their ordinary residence (either within or outside Australia) that they undertake in the course of their duties as an employee; and
- are incurred for accommodation or for food or drink expenses, or expenses that are incidental to the travel.

A travel allowance will need to be included as an amount in your employee's assessable income and may need to have tax withheld from it under the PAYG withholding rules.

What is a LAFHA?

A LAFHA fringe benefit may arise if you pay an employee an allowance to cover additional expenses and any disadvantages suffered due to them being required to temporarily live away from their normal residence to perform their employment duties. Additional expenses are not considered deductible expenses.

A LAFHA payment you provide to your employee may be considered a LAFHA fringe benefit and will need to be reported in your annual fringe benefits tax (FBT) return.

Note! As a rule of thumb, the ATO will treat an allowance as a travel allowance if the period away from home does not exceed 21 days.



COVID-19, FBT, RATs and other acronyms!

You may provide your employees with benefits you do not usually provide as a result of the COVID-19 pandemic.

For example, you might provide non-cash benefits to employees for getting COVID-19 vaccinations. Other benefits could be provided to help employees work from home, to protect employees from COVID-19 or to help them recover from COVID-19.

FBT and RATs: Protecting employees from COVID-19

The government announced on 7 February 2022 that they will ensure COVID-19 testing expenses are tax deductible for testing taken to attend a place of work.

This will also mean fringe benefits tax will not be incurred by employers if they provide COVID-19 tests to their employees for this purpose.

This measure is not yet law. As is the normal practice, we will provide more detailed advice and guidance once the measure is enacted.

In the interim, if you have incurred expenses for COVID-19 tests, you should keep a record of those expenses.

Working from home

You may have provided employees with items to allow them to work from home (or from another location) due to COVID-19.

Some items will usually be exempt from FBT if they are primarily used by your employees for work. The items include laptops, portable printers and other electronic devices.

The minor benefits exemption (for minor, infrequent and irregular benefits under \$300) or the otherwise deductible rule may apply if you:

- allow your employee to use a monitor, mouse or keyboard they otherwise use in the workplace; or
- provide them with stationery or computer consumables or pay for their phone and internet access.

The 'otherwise-deductible rule' allows you to reduce the taxable value of benefits by the amount that your employee can claim as a once-only deduction (if they can claim a deduction).

Rewarding staff for getting their COVID-19 vaccination

If you've provided incentives or rewards to your employees for getting their COVID-19 vaccination or booster dose, it's important to understand what your tax and superannuation obligations are.

Incentives and rewards may include cash payments, paid leave, non-cash gifts, such as vouchers and gift cards, and transport to and from the vaccination site.

If you've provided your employees with a cash payment, you must:

- report the payment via Single Touch Payroll (**STP**) as part of the employee's salary and wages;
- withhold tax from the payment amount under the PAYG withholding rules; and
- include the amount in your employee's ordinary time earnings. This is for the purpose of determining your superannuation guarantee contributions for your employee.

If you've already made a cash payment and did not withhold tax, you should contact the ATO (or 145 financial) straight away so that the ATO can consider the remission of any applicable failure-to-withhold penalties.

If you provide or pay for an employee's transport to and/or from a place to get their COVID-19 vaccination, the travel is associated with work-related preventative health care and is exempt from FBT.

JobMaker Hiring Credit

There are four periods left for claiming the JobMaker Hiring Credit. The most recent period ended on 28 January 2022.

Note! Remember, you can only claim payments relating to employees hired up until 6 October 2021. Employees hired after that date are not eligible employees.

The scheme will end on 6 October 2022.

JobMaker period	Single Touch Payroll (STP) reporting due date	Claim period
7 January 2022 – 6 April 2022	28 July 2022	1 May 2022 – 31 July 2022
7 April 2022 – 6 July 2022	28 October 2022	1 August 2022 – 31 October 2022
7 July 2022 – 6 October 2022	28 January 2023	1 November 2022 – 31 January 2023



Do you have your Director identification number?

A Director identification number (**Director ID**) is a unique identifier that a director applies for once and keeps forever. All directors, including alternate directors, are required to have a Director ID.

Who needs a Director ID?

You will need a Director ID if you are a director or an alternate director (acting in that capacity) of:

- a company, a registered Australian body or a registered foreign company under the *Corporations Act 2001* (**Corporations Act**). This includes the director of the corporate trustee of a self-managed superannuation fund (**SMSF**);
- an Aboriginal and Torres Strait Islander corporation registered under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* (**CATSI Act**).

Applications for a Director ID are available at the new Australian Business Registry Services (**ABRS**) [website](#). You'll need a myGovID with a Standard or Strong identity strength to apply for a Director ID online.

Note! You will need to apply for your Director ID yourself to verify your identity. 145 financial cannot apply for you, however we can guide you through the process.

When to apply?

When you must apply for a Director ID depends on the date you become (or became) a director.

Corporations Act directors

Date you became a director	Date you must apply
On or before 31 October 2021	By 30 November 2022
Between 1 November 2021 and 4 April 2022 (and not already a director at close of 31 October 2021)	Within 28 days of appointment
From 5 April 2022 (and not already a director at close of 31 October 2021)	Before appointment

CATSI Act directors

Date you became a director	Date you must apply
On or before 31 October 2022	By 30 November 2023
From 1 November 2022 (and not already a director at close of 31 October 2021)	Before appointment

Tip! Although 145 financial cannot apply for a Director ID on your behalf, they can guide you through the process.



What's in the pipeline?

Federal election 2022

As we all know, there will be a Federal election in a few months. The 'pundits' seem to think it will be in May (it must be held by 21 May 2022).

If the pundits are right, Parliament is likely to sit only in February and March. Five days have been set aside for the House of Representatives and the Senate, and the House of Representatives only will sit for an additional five days – not much time to pass legislation!

Parliament is not likely to sit again once the election is called until 9 August 2022. This means that there are minimal opportunities for the Government to pass its legislative agenda before the election, and there can be ongoing uncertainty in relation to measures that have been announced but are not yet enacted.

The two major tax measures contained in bills that are still before Parliament are:

- the extension of **temporary full expensing** (for depreciating assets) by 12 months to 30 June 2023 – your business will be able to claim an outright deduction for the cost of depreciating assets you acquire (and install ready for use) before 1 July 2023 (this includes second-hand assets if your business has an aggregated turnover less than \$50 million); and
- the extension of the **loss carry back** measure for companies to include the 2022–23 income year (a loss can be carried back as far as 2018–19).

Other tax-related measures before Parliament include:

- removing the **superannuation guarantee \$450 monthly income threshold**;
- a change to the taxation of **employee share scheme** interests subject to deferred taxation; and
- making permanent some of the **company administration related measures** that were implemented to accommodate COVID-19 related lockdown restrictions – e.g. hybrid meetings and using technology in relation to company documents.

Key tax dates

Date	Obligation
21 Feb 2022	<ul style="list-style-type: none"> January 2022 monthly BAS due
28 Feb 2022	<ul style="list-style-type: none"> December 2021 quarterly BAS due Pay December 2021 quarterly instalment notice Annual GST return due (if no income tax return due) December 2021 SG charge statement due (if required due to an SG shortfall for the December 2021 quarter) SMSF 2020–21 annual return due (unless first return or late with return for previous financial year)
21 Mar 2022	<ul style="list-style-type: none"> February 2022 monthly BAS due
21 Apr 2022	<ul style="list-style-type: none"> March 2022 monthly BAS due
28 Apr 2022	<ul style="list-style-type: none"> March 2022 quarterly BAS due Pay March 2022 quarterly instalment notice Employee superannuation guarantee contributions due
21 May 2022*	<ul style="list-style-type: none"> April 2022 monthly BAS due Lodge and pay annual FBT return (if your business lodges one)
28 May 2022*	<ul style="list-style-type: none"> March 2022 SG charge statement due (if required due to an SG shortfall for the March 2022 quarter)

* Next business day applies instead

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