

THE ROUND UP

The important details for accountants & advisers across November 2024

What did I miss?



The Senate pushed through 32 Bills on the last sitting day of the calendar year clearing the way for an election. We look at what did (and didn't) pass.

Plus, the finalised guidance on section 99B, primarily impacting benefits from non-resident trusts, that offers a low compliance approach in certain scenarios.

And, the ATO has refreshed its guidance on family trust elections – an area that often causes confusion and complexity. We look at the rules as they should apply.

As change occurs, we'll keep you posted through Knowledge Shop's social media accounts – [twitter](#), [facebook](#) and [Linkedin](#).

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Coming Up...

<p>SMSF live Q&A – Nov 2024 Your most pressing SMSF questions answered live by the experts! Register.</p>	<p>28 Nov 2024 More</p>
<p>Mastering SMSF Audits: Clearing Roadblocks & Navigating Compliance An SMSF accountants guide to overcoming the key challenges in the SMSF audit process - two part series Register.</p>	<p>5 & 10 Dec 2024 More</p>
<p>Graduate training Tax & Business Services Basics - Because trial and error is not a strategy Register.</p>	<p>21, 24 & 28 Feb 2025 More</p>
<p>How to Tuesdays Short, sharp and straight to the point training. In around 30 mins per session (ish), we tackle the common problem areas, demonstrate exactly how to approach the issue and get a resolution.</p>	<p>New season starts Feb 2025</p>

From Government

Community charity guidelines

Treasury has released the *Taxation Administration (Community Charity) Guidelines 2024* exposure draft, with responses due by 3 December 2024.

The draft guidelines apply to deductible gift recipients (DGR) which fall within the new community charity category, and sets out the requirements for these entities to receive and maintain DGR endorsement. The draft guidelines outline requirements for governance, record keeping and allowed activities for community charities.

To be eligible for endorsement by the ATO has a DGR, a ministerial declaration must specify the community charity. Initially the framework for DGR endorsement

will only apply to 28 organisations that are affiliated with Community Foundations Australia.

Treasury has also released a fact sheet which provides guidance on the new community charity DGR framework.

The draft guidelines are proposed to commence on the day after registration on the Federal Register of Legislation.

More information

- [Building Community – ministerial guidelines for community foundations](#)

Beneficial ownership reforms

Treasury has released exposure draft legislation to implement a public beneficial ownership register that would show who effectively owns and controls entities listed on Australia’s financial markets. The first stage of the reform focuses on listed companies.

The draft legislation proposes to amend the *Corporations Act* to enhance the substantial holding and tracing notice regimes, which govern the disclosure of beneficial ownership for listed entities. Disclosure requirements will also apply to entities that are incorporated outside Australia but listed on a financial market in Australia.

ASIC will also be given broader powers to enforce compliance with the disclosure regime.

Submissions can be made online until 13 December 2024.

More information

- [Enhanced beneficial ownership disclosure for listed entities](#)

Improving retirement phase of superannuation

Treasury has released a fact sheet outlining the Government's plans to reform the retirement phase of superannuation.

The Government hopes that the reforms will improve the retirement phase of superannuation and help retirees make the most of their superannuation through trusted information, better products and greater transparency.

The reforms focus on four main areas:

- **Enhanced Independent Guidance:** The Government will update the Moneysmart website to provide retirees with easy access to reliable, independent information on superannuation and retirement options. ASIC will also lead a consumer education campaign, with new resources expected in 2025.
- **Better Retirement Products:** Reforms to income stream regulations will encourage the development of better retirement products, offering more choices for retirees. These changes, starting 1 July 2026, will allow funds to offer product features like money-back guarantees and instalment payments instead of lump sum payments.
- **Best Practice Principles:** New voluntary best practice principles will guide the superannuation industry in creating high-quality retirement products. Draft principles will be consulted on in 2025.
- **Increased Transparency:** A new Retirement Reporting Framework, starting in 2027, will provide greater transparency on retirement outcomes. APRA will collect and publish data annually to track progress and measure success, with the framework's design informed by Treasury-led consultations starting next year.

More information

- [Improving the retirement phase of superannuation](#)
- [Government response: Improving the retirement phase of superannuation](#)

Crypto Asset Reporting Framework

Treasury has released a consultation paper on Australia's implementation of the OECD-developed regime for the Crypto Asset Reporting Framework (CARF), with submissions due by 24 January 2025.

The OECD CARF provides an international standard for the automatic exchange of crypto related account information between revenue / tax authorities. The OECD developed the CARF to address the rapid growth of the crypto asset market globally. The CARF is designed as a global minimum standard in tax information exchange and builds on the existing Common Reporting Standard (CRS) which exchanges (traditional) financial account information between tax authorities.

The CARF consists of three components:

1. CARF Model Rules which can be included as domestic law to collect information from reporting crypto asset service providers with a relevant nexus to Australia;
2. Multilateral Competent Authority Agreement on Automatic Exchange of Information and related Commentary (or bilateral agreement / arrangement) to allow for the automatic exchange of information between participating jurisdictions); and
3. An electronic format (XML Schema) to be used by tax administrators for the purpose of exchanging the CARF information, as well as by reporting crypto asset service providers to report CARF information to tax administrations (as permitted by domestic law).

The CARF would compel crypto intermediaries such as exchange platforms and wallet providers to report to tax authorities on certain crypto payment transfers, such as disposals (gross proceeds) and acquisitions (market value).

Broadly, the consultation paper considers two potential options:

1. Adopt the CARF model – where the OECD CARF Model Rules are adopted into Australian law, to ensure consistency with other countries which adopt the model and minimise compliance costs etc.

2. Bespoke approach – where Australia customises the policy approach to specifically target the reporting obligations to those service providers in the crypto industry whose customers’ information is seen as providing the most useful information to assist the ATO with its compliance activities.

More information

- [Crypto Asset Reporting Framework and related amendments](#)
- [Consultation on enhanced tax transparency for crypto transactions](#)

From the Regulators

Reminder on Family trust elections and concessions

The ATO has issued a reminder of the key issues to consider when making family trust elections (FTE) and interposed entity elections (IEE).

Where a trustee makes a valid FTE, the trust becomes a ‘family trust’ for tax purposes. The trust needs to pass the family control test before it can make an FTE.

An FTE must specify a person as the test individual. The ‘family group’ is defined with reference to this individual and the family control test is applied with reference to this individual. Each trust can only have one specified individual, who must be alive at the time of the election.

In many cases, it is difficult for discretionary or non-fixed trusts to pass certain tests in the tax rules. Making a valid FTE provides access to certain tax concessions, including:

- **Trust loss measures** – family trusts are only required to pass the modified income injection test and don’t need to pass the other trust loss tests.
- **Company loss tracing concession** – the company loss provisions allow a company that has a non-fixed trust as a shareholder to benefit from a tracing concession where that non-fixed trust is a family trust. Broadly, where the relevant interests in a company are held by the trustee of a family

trust, a single notional entity that is a person is taken to own the interests.

- **Holding period rules for franking credits** – the trustee and beneficiaries of a family trust that receives a franked dividend to benefit from a franking credit concession as a ‘qualified person’.
- **Trustee beneficiary reporting (TBR) rules** – trusts that have made an FTE or an IEE (among others) are excluded from having to comply with the TBR rules.
- **Small business restructure rollover** – special rules apply for family trusts in the context of assessing whether there has been any material change in ultimate ownership.

However, once the election is in effect, family trust distribution tax (FTDT) at 47% can arise on distributions that are made outside the ‘family group’ of the specified individual. The trustee of a family trust will also be liable to pay trustee beneficiary non-disclosure tax if it makes a circular trust distribution.

Trusts, companies and partnerships which don’t automatically form part of the family group can potentially make an IEE to be included in the family group if they are able to pass the family control test. This means that these entities can receive distributions from the relevant family trust without triggering FTDT. However, if an entity that has made an IEE makes a distribution outside the family group of the relevant individual this will trigger FTDT for the interposed entity.

Experience tells us that applying these rules can be a complex exercise, especially when dealing with multi-generational family groups or groups that contain a range of trusts and other entities. Practitioners and clients who fail to apply the rules carefully can inadvertently trigger significant FTDT liabilities.

The ATO has flagged that it has seen a number of instances where FTDT liabilities could have been avoided by clients and their agents being more vigilant with respect to making elections.

More information

- [Family trust elections - what you need to know](#)
- [Family trusts concessions](#)

FBT for holiday celebrations

It's that time of year and the ATO is reminding everyone of the FBT implications associated with end-of-year staff celebrations.

Providing things like food, drinks, recreation, and gifts can be considered 'entertainment', which is normally subject to FBT, unless certain exemptions can apply.

Whether FBT applies will depend on:

- The amount spent on each employee
- When and where the celebration is held
- Who attends – employees only, or are partners, clients or suppliers also invited?
- The value and type of gifts provided.

Employers should keep detailed records of any entertainment-related benefits, so they can determine whether exemptions apply and calculate their taxable value. Employers also need to remember that when entertainment is provided to employees it won't normally be possible to claim a deduction or GST credits for the expenses unless they are subject to FBT.

More information

- [Could your staff celebration attract FBT?](#)

NFP self-review returns

The ATO has updated its guidance to assist not-for-profits (**NFP**) which aren't charities with the new requirement to lodge NFP self-review returns.

Non-charitable NFP organisations with an active ABN are required to lodge an annual NFP self-review return to confirm their eligibility to self-assess as income tax exempt.

Normally, NFP self-review returns are due by 31 October each year. However, for the first lodgment year, NFPs have until 31 March 2025 to lodge for the 2023-24 income year.

In the return, the NFP is required to:

- Advise the type of exempt category the NFP is self-assessing against

- Consider the NFP's purpose and activities against specific eligibility requirements under one of 8 income tax exempt categories
- Estimate the NFP's gross revenue range as small, medium or large, to indicate the size of the organisation (this is the only financial-related question on the return).

The return includes 3 sections and the ATO indicates that it should only take approximately 10 minutes to complete.

If the outcome is that the NFP is taxable for the 2023-24 income year, the ATO will also provide transitional support such as providing a concessional due date for lodging the tax return, payment plans and remission of general interest charge and penalties.

Arts, music and cultural organisations

The ATO has included website guidance specific to NFPs that are arts, music and cultural organisations that self-assess as income tax exempt.

A cultural organisation can self-assess as exempt from tax if it meets a number of requirements, including that the main purpose for the organisation is either encouragement of art, literature or music, or musical purposes. Any other purpose must be incidental or secondary to this main purpose.

This could include:

- Art, which includes performing arts such as drama and dance, as well as visual arts such as painting, architecture and sculpture;
- Literature, which includes a wide range of written or printed works, such as works in different languages, on particular subjects or by particular authors;
- Music, which includes the performance of vocal or instrumental works, and covers various styles for example classical, jazz and liturgical.

However, if the NFP's main purpose is to provide a social forum for members or to promote a national cultural heritage, it cannot self-assess as an income tax exempt cultural organisation.

To work out the NFP's main purpose, you can look at the organisation's constituent documents, activities, use of funds and history.

More information

- [The need to lodge an NFP self-review return](#)
- [Reporting requirements to self-assess income tax exemption](#)
- [Do you run an arts, music or cultural organisation?](#)

2024-25 ATO focus areas

The ATO has released its key areas of focus for privately owned and wealthy groups for the 2024-25 income year.

The list is separated into foundational issues, emerging and evolving risks, and targeted focus areas.

Foundational issues include:

- Registration, lodgment and payment
- Incorrect reporting
- Tax advisers and professional firms – failure to lodge / pay personal returns, allocation of professional firm profits
- Division 7A
- CGT
- Property and construction
- International transactions

Emerging or evolving risks and issues include:

- Incorrect reporting – trust deductions, R&D claims, GST credits on employee allowances
- CGT – Division 149 and pre-CGT assets
- Other emerging areas - trust loss trafficking, inappropriate use of private ancillary funds, share buybacks, thin capitalisation rules, cryptocurrency based business models.

The target focus areas include:

- Succession planning
- Private equity
- Retirement villages
- GST for the retail and construction industries.

More information

- [Our areas of focus for private groups](#)
- [Areas of focus 2024-25](#)

Study and training loan repayment changes

There have been a few changes and announcements on study and training loans of late and the ATO has provided an update of what is changing and when.

Retrospective indexation reduction

The HELP indexation rate will be changed to be the lower of either the consumer price index (CPI) or wage price index (WPI). The amending legislation, [Universities Accord \(Student Support and Other Measures\) Bill 2024](#), passed both Houses on 26 November 2024, and awaits Royal Assent. The relief will be backdated and applied automatically with an adjustment to loan balances for both the 2023 and 2024 income years, where the lower WPI rate will be applied instead of CPI.

Proposed repayment thresholds

The Government has proposed changes to the minimum repayment threshold to be increased from \$54,435 in 2024-25 to \$67,000 in 2025-26. HELP repayments will only be calculated on the income above the new \$67,000 threshold instead of the total annual income.

Proposed 20% debt reduction

The Government has announced its intention to reduce the balance of all study and training support loans by 20%, to take effect before 1 June 2025.

These changes are subject to the passage of amending legislation.

Rural doctors and nurses HELP debt eliminated

An initiative introduced in 2022 encourages doctors and nurse practitioners to live and work in rural, remote or very remote areas of Australia. The changes allow doctors and nurses to reduce their HELP loans if they complete the required amount of eligible work in specified remote areas.

The ATO has also updated its website guidance with the 2024-25 repayment thresholds for compulsory repayments on study and training loans.

More information

- 🔗 [Study and training loan repayment thresholds and rates](#)
- [Study and training loans – what's new](#)

Retirement village guidance

The ATO has updated its guidance on income tax and GST for retirement village operators.

The guidance is reasonably comprehensive and covers the tax implications associated with:

- Occupancy arrangements
- Acquiring or constructing a retirement village, including through shares or units
- Operating a retirement village, including independent living units
- Sale of a retirement village.

More information

- [Retirement villages and tax](#)

Tougher approach to small business

The ATO has flagged tougher action against small businesses that wittingly do the wrong thing. Each quarter, the ATO will highlight its specific risk areas.

This quarter's focus is on:

- Business income is not personal income – using business money and assets for personal use or benefit
- Deductions and concessions – non-commercial business losses, small business CGT concessions
- Operating outside of the system – GST registration and income of taxi, limousine and ride-sourcing services

Where a small business is deliberately avoiding their obligations, the ATO might take action including reviews or audits, applying penalties and interest, or seeking civil or criminal sanctions in more serious cases.

For the purpose of this guidance small businesses are sole traders, companies, trusts or partnerships that operate a business for all or part of a financial year, and have an aggregated annual turnover of less than \$10m.

More information

- [Our focus areas for small business](#)

Rulings, Determinations & Guidance

Section 99B - benefits from non-resident trusts

The ATO has finalised its guidance on the operation of section 99B of the ITAA 1936.

Section 99B basically ensures that payments made to a beneficiary who has been a resident of Australia at any time during the relevant income year are taxed in Australia, unless a specific exception applies. While the legislation isn't specifically limited to non-resident trusts, in practical terms the risk of section 99B applying is much higher if the trust has been a non-resident at some stage since it was established.

Section 99B(2) reduces the amount assessed under section 99B(1) to the extent that the distribution is sourced from the corpus of the trust, unless this relates to income or gains made by the trust that haven't been taxed in Australia but would have been taxed had they been derived by an Australian resident (i.e., a hypothetical resident taxpayer).

In [TD 2024/9](#), the ATO discusses the hypothetical resident taxpayer aspect of the rules and provides some practical examples explaining how the ATO would apply the rules in some reasonably common scenarios. Under the hypothetical resident taxpayer tests, the only characteristic of the hypothetical taxpayer is that they are an Australian resident. Therefore, the ATO confirms that the CGT discount is not available to the hypothetical taxpayer.

For example, the ATO indicates that section 99B would not apply if a foreign trust sells a pre-CGT asset and distributes the capital gain to a resident taxpayer, since it would be reduced in full under section 99B(2).

[PCG 2024/3](#) explains how the ATO will approach section 99B in a number of common scenarios, although the guidance is high-level and focuses more on whether the taxpayer would need to consider section 99B in more detail. The PCG makes it clear that section 99B can potentially apply in a wide range of circumstances, including situations involving loans, forgiven debts, amounts received from deceased estates and when beneficiaries use assets owned by a trust.

However, the PCG sets out the ATO's compliance approach for two common scenarios which are considered low risk, and the record-keeping expected to substantiate this.

The two common scenarios covered in the PCG relate to deceased estates and where trust property is provided on commercial terms.

For deceased estates, an arrangement will be considered low risk if:

- The deceased individual was a non-resident just before they died;
- The trust property (including cash or proceeds from the sale of trust assets) is distributed to the resident beneficiary within 24 months of the date of death;
- The total value of trust property received by the beneficiary doesn't exceed \$2m;
- The distribution is not made from a testamentary trust;
- The beneficiary obtains appropriate documentation to prove that the conditions are met;
- There aren't any elements of a contrived nature; and
- The arrangement wasn't entered into for the purpose of enabling the beneficiary to provide a benefit to another resident beneficiary of the trust.

For the second scenario, an arrangement will be considered low risk if:

- The borrowing, hire or use of the trust property is subject to an agreement, whether written or verbal;
- The agreement is made on commercial terms; and

- The resident beneficiary makes a physical payment to the trustee equal to the interest, hire or use per the commercial terms.

It is accepted that an agreement is on commercial terms where the rate applied and terms of the agreement are consistent with market rates in the same or similar circumstances. There is also a safe harbour for loans if the interest rate and term aligns with Division 7A loans.

If the arrangement satisfies the conditions to be considered low risk, then the ATO will not dedicate compliance resources to consider the application of section 99B, apart from confirming the low risk features are met. However, it is important to remember that even if section 99B doesn't apply, this doesn't necessarily mean that the arrangement wouldn't trigger other taxing provisions.

The onus is on the beneficiary to provide appropriate information and documentation when seeking to rely on the reductions in section 99B(2)(a) or (b). For example, beneficiaries would be expected to obtain:

- Signed and executed trust deeds or the will of the deceased individual
- Signed trustee minutes, resolutions or distribution statements confirming an amount was paid or applied for the benefit of a beneficiary from the trust's corpus;
- Copies of the trust's financial accounts for the relevant years, prepared in accordance with the accounting principles of the relevant country;
- Further documents on a case-by-case basis (e.g. records of the payments or transfer of property, working papers, bank statements, trustee minutes or resolutions, correspondence and advice, etc).

Where the onus is not discharged, the ATO will administer section 99B on the basis that the full amount should be included in the beneficiary's assessable income.

More information

- [TD 2024/9](#)
- [PCG 2024/3](#)

Value of goods taken from stock for private use

[TD 2024/8](#) updates the amounts that the ATO will accept as estimates of the value of goods taken from trading stock for private use by taxpayers in certain industries for the 2024-2025 income year.

The industries covered are:

- Bakery
- Butcher
- Restaurant or café (licensed)
- Restaurant or café (unlicensed)
- Caterer
- Delicatessen
- Fruiterer or greengrocer
- Takeaway food shop
- Mixed business (incorporating milk bar, general store and convenience store).

TD 2019/2, which provides estimates of goods taken from trading stock for private use for the 2018-19 income year, has now been withdrawn as its period of effect has passed.

More information

- [TD 2024/8](#)
- [TD 2019/2W](#)

Meaning of 'ATM' for GST financial supplies

The ATO has issued Addendums to GSTR 2014/2 and GSTR 2002/2 to reflect the definition of 'ATM' and 'ATM services', in light of the decision in *Banktech Group Pty Ltd v Commissioner of Taxation* [2023] AATA 3850.

In GSTR 2014/2A1, the ATO has inserted additional commentary on the case as well as examples.

In the case, the AAT adopted the ordinary meaning of ATM. The AAT determined that the supplies made through the cash dispensing equipment did not constitute 'ATM services' because venue staff were required to intervene to operate the equipment (i.e. not automatic), the equipment comprised of separate

components with some located up to 25m apart, and the equipment was not marketed as an ATM. Therefore, they were not input-taxed financial supplies.

More information

- [GSTR 2014/2A1 - Addendum](#)
- [GSTR 2002/2A11 - Addendum](#)

NALI amendment draft updates

The ATO has issued draft updates to existing rulings which reflect amendments to the non-arm's length income (**NALI**) rules in section 295-550 of the ITAA 1997.

LCR 2021/2DC clarifies how the amendments in section 295-550 operate in a scheme where the parties do not deal with each other at arm's length and the trustee of a small complying superannuation fund incurs non-arm's length expenditure (or where expenditure is not incurred) in gaining or producing ordinary or statutory income.

TR 2010/1DC2 covers the ATO's views on the ordinary meaning of the word 'contribution' in relation to a superannuation fund, approved deposit fund or retirement savings account in the ITAA 1997. This draft replaces the earlier TR 2010/1DC) and removes the compliance approach that was proposed in the earlier draft.

More information

- [LCR 2021/2DC](#)
- [TR 2010/1DC2](#)

Cases

Unsuccessful R&D claim for making basketball shoe

The Federal Court has dismissed the taxpayer's appeal of the AAT decision, affirming that the taxpayer's

development activities were not eligible R&D activities for the purpose of the R&D tax incentive.

The taxpayer (Active Sports Management Pty Ltd) lodged applications with Industry Innovation and Science Australia (IISA), to register activities relating to the development of a customised basketball shoe (Delly1) as “core R&D activities” within the meaning of s 355-25 of the ITAA 1997. In 2019, IISA determined that none of the taxpayer’s activities satisfied the definition of “core R&D activities”. The taxpayer sought a review decision by the AAT, which affirmed the original decision.

Under section 355-25(1), core R&D activities need to have at least the following characteristics:

1. The outcome of the activities cannot be known or determined in advance on the basis of current knowledge, information or experience.
2. The outcome of the activities can only be determined by applying a systematic progression of work, where that systematic progression of work has both of the following features:
 - (i) It is based on principles of established science;
 - (ii) It proceeds from hypothesis to experiment, observation and evaluation, and leads to logical conclusions.
3. The activities are conducted for the purpose of generating new knowledge (including new knowledge in the form of new or improved materials, products, devices, processes or services).

The AAT held that the activities did not involve a systematic progression of work based on principles of established science and which proceeded from hypothesis to experiment, observation and evaluation, leading to logical conclusions. The taxpayer appealed the AAT decision to the Federal Court.

The Federal Court dismissed the appeal, affirming the AAT decision. The Federal Court was not satisfied that the activities were conducted for the purpose of generating new knowledge. The Court found that the activities basically took what was already known and applied this knowledge to a different context, based significantly on the personal preferences or requirements of a specific individual (a well-known professional basketball player).

More information

- [Active Sports Management Pty Ltd v Industry Innovation and Science Australia \[2024\] FCA 1346](#)

Legislation

Objective of super

Superannuation (Objective) Bill 2023

This Bill enshrines the objective of superannuation has passed both Houses of Parliament and awaits Royal Assent. The objective of superannuation is to preserve savings to deliver income for a dignified retirement, alongside government support, in an equitable and sustainable way (the objective).

Enshrining the objective of super in legislation will require future policy changes to be compatible with the objective.

More information

- [Superannuation \(Objective\) Bill 2023](#)

Foreign resident capital gains withholding changes, single touch payroll

Treasury Laws Amendment (2024 Tax and Other Measures No. 1) Bill 2024

This Bill has passed through both Houses of Parliament and contains a number of tax-related measures, including:

- **Changes to the foreign resident capital gains withholding payments** regime to increase the withholding rate from 12.5% to 15% and remove the threshold before which withholding applies;
- Employers will be allowed to make single touch payroll declarations for extended periods;

The Commissioner of Taxation is provided with a power to retain tax refunds for a 90-day period to enable the Commissioner to obtain financial institution details for the refund to be paid into; and

- The time limit for small or medium business taxpayers to apply to have a **tax assessment amended** is increased from 2 years to 4 years.

More information

- [Treasury Laws Amendment \(2024 Tax and Other Measures No. 1\) Bill 2024](#)

Accountants drawn into AML requirements

Anti-Money Laundering and Counter-Terrorism Financing Amendment Bill 2024

The Bill has passed through both Houses of Parliament and extends the AML / CTF regime to “higher-risk services” provided by real estate professionals, professional service providers including lawyers, accountants and trust and company service providers. These designated services will be regulated under the AML / CTF regime. Amendments to the bill extend the definition of ‘qualified accountant’ in section 5 of the AML / CTF Act to also include a member of the Institute of Public Accountants.

More information

- [Anti-Money Laundering and Counter-Terrorism Financing Amendment Bill 2024](#)

Aged care reform

Aged Care Bill 2024 & Aged Care (Consequential and Transitional Provisions) Bill 2024

The Bill contains a series of reforms that fundamentally change the way in which aged care is funded in Australia and the contribution made by those receiving care. The Bill has passed through both Houses of Parliament.

More information

- [Aged Care \(Consequential and Transitional Provisions\) Bill 2024](#)

Build to rent incentives, \$20k instant asset write off removed

Treasury Laws Amendment (Responsible Buy Now Pay Later and Other Measures) Bill 2024

This Bill has passed through both Houses of Parliament and contains the following measures:

- Incentives for investors to support the construction of new build to rent developments by increasing the capital works deduction rate to 4% per year and reducing the final withholding tax rate on eligible fund payments from eligible managed investment trust investments to 15%;
- Amends the TAA 1953 to impose a new reporting obligation on certain large multinational enterprises.

Schedule 7 of the Bill originally contained amendments for the extension of the \$20,000 instant asset write-off for 12 months until 30 June 2025, however, this was removed by the Senate before the Bill was passed. It isn't clear what the Government plans to do with this measure at this stage.

More information

- [Treasury Laws Amendment \(Responsible Buy Now Pay Later and Other Measures\) Bill 2024](#)

BEPS Pillar 2 Package

The package of Bills that will implement the 15% global minimum rate in Australia have now passed both Houses of Parliament and now await Royal Assent.

The package includes the following three bills:

- Taxation (Multinational—Global and Domestic Minimum Tax) Imposition Bill 2024
- Taxation (Multinational—Global and Domestic Minimum Tax) Bill 2024
- Treasury Laws Amendment (Multinational—Global and Domestic Minimum Tax) Consequential Bill 2024.

More information

- [Taxation \(Multinational—Global and Domestic Minimum Tax\) Imposition Bill 2024](#)
- [Taxation \(Multinational—Global and Domestic Minimum Tax\) Bill 2024](#)
- [Treasury Laws Amendment \(Multinational—Global and Domestic Minimum Tax\) \(Consequential\) Bill 2024](#)

HELP student loan indexation Universities

Accord (Student Support and Other Measures) Bill 2024

The *Universities Accord (Student Support and Other Measures) Bill 2024* which makes amendments to the indexation of Higher Education Loan Program (**HELP**) loans, has now passed both Houses of Parliament, and awaits Royal Assent.

More information

- [Universities Accord \(Student Support and Other Measures\) Bill 2024](#)

Douglas case

Income Tax (Transitional Provisions) (Permanent Incapacity Benefits) Amendment Rules 2024

The *Income Tax (Transitional Provisions) (Permanent Incapacity Benefits) Rules 2024* which extend the transitional arrangements that relate to the *Douglas* decision on invalidity pensions and invalidity pay have been extended for an additional 12 months to include the 2023–24 income year.

In *Douglas*, the Court held that, from 1 July 2007, certain invalidity pension payments for veterans and their beneficiaries are superannuation lump sums, and not superannuation income stream benefits.

More information

- [Income Tax \(Transitional Provisions\) \(Permanent Incapacity Benefits\) Amendment Rules 2024](#)

Hydrogen and critical minerals tax offsets

Future Made in Australia (Production Tax Credits and Other Measures) Bill 2024

A Bill has been introduced to Parliament to establish specific tax offsets for hydrogen production and critical minerals production.

The Hydrogen Production Tax Incentive in Schedule 1 of the Bill aims to motivate companies to commence medium to large scale production of renewable hydrogen.

The Critical Minerals Production Tax Incentive in Schedule 2 of the Bill is a refundable tax offset of 10% on eligible expenditure, to support downstream refining and processing of critical minerals.

More information

- [Future Made in Australia \(Production Tax Credits and Other Measures\) Bill 2024](#)

Fuel efficient cars

Treasury Laws Amendment (Tax Incentives and Integrity) Bill 2024

A Bill has been introduced to Parliament which proposes a number of tax related amendments, including:

- Tightening the definition of a fuel efficient vehicle for luxury car tax purposes
- Denying deductions for GIC and SIC amounts
- Extending the ATO notification period for retaining refunds.

More information

- [Treasury Laws Amendment \(Tax Incentives and Integrity\) Bill 2024](#)

Build to rent integrity measures

Capital Works (Build to Rent Misuse Tax) Bill 2024

A Bill has been introduced that imposes a tax rate of 1.5% levy on build to rent developments that do not meet certain eligibility conditions.

The proposed changes ensure the integrity of the build to rent tax concessions by providing for the levy to be imposed in the event that an entity improperly claims one or both of the tax concessions.

More information

- [Capital Works \(Build to Rent Misuse Tax\) Bill 2024](#)