



## Key Outcomes

OFFICIAL External

<b>Title:</b>	PLS working group – key outcomes		
<b>Issue date:</b>	25 August 2020		
<b>Venue:</b>	WEBEX		
<b>Event date:</b>	18 August 2020	<b>Start:</b> 1:00pm	<b>Finish:</b> 2:00pm

<b>Chair:</b>	Sonia Lark	<b>Facilitator:</b>	Sonya Summers
<b>Contact</b>	Sonya Summers	<b>Contact phone:</b>	02 472 57383

<b>Attendees: names/section</b>	<p>ATO – Sonia Lark, Sangitha Sivayogaraj, Danny Figueiredo, Ross Barns, Karen Greaves, Anupama Duggirala, David Baker, Craig Hughes, Chris Mahon, Anthony Clarke, Steve Irving, Yuliya White.</p> <p>Industry – Jack Wee (Catsoft), Sandeep Gopalan (GovReports), Christine Saava, Danny Koutoulas, Scott Reid, Michael Tong, Christinique Chapman, Andrew Smith, (MYOB), Kevin Johnson, (Reckon), Darin Carter, Michael Wright, Saiful Larry (Sage), Charudatta More (Sparken), Krunal Patel, Linda Kerhoulas (Thomson Reuters), Andrew Sprankling, Kelvin Newton (Xero).</p>
<b>Apologies: name/section</b>	<p>Mike Denniss, Sha Sha (Class Super), Simon Smart, Misha Ali (Etax), Lex Edmonds (MicroTax), Mike Behling, Trent Hayes (MYOB), Andrew Noble (Noble Accounting), Nathan Kerr (One-Click), Steven Ivanopoulos (Reckon), Karl Farrand (Taxlab), Shane Paxton, Paul Siriwidana (Thomson Reuters) Danna Zhang, Dillon Tsotsis, Lisa Kim, Robert Xie (Wolters Kluwer), Rosemary Missier (Xero).</p>

<b>Next meeting</b>	1 September 2020
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## Agenda item: 1 – Introduction

The DPO is looking for DSP feedback on the delivery of Tax Time 2020:

- What did we do well
- Where were the challenges
- What could be improved

Please send your feedback through via your account manager or Online Services for DSPs.

## Agenda item: 2 – Action item updates

Updates were provided for outstanding action items. (see [action items](#))

## Agenda item: 3 – Tax time related documentation

A change advice related to the Reducing Pressure on Housing Affordability measure discussed at today's meeting was published on 19/08/2020.

## Agenda item: 4 – Reducing pressure on housing affordability measure

There was a suite of changes which became law at the end of last year, one of which allows an additional discount on CGT to eligible investors.

A change advice outlining the updates will be published in Controlled information in the next few days.

### Summary of changes to the Individual tax return (IITR) for 2021:

- Because of the relatively low numbers in the client base being eligible to claim this additional discount we're keeping the changes minimal and pointing more towards guidance on our self-help spaces and online content.
- We're updating our online CGT help content for investor clients and their agents to firstly assess their eligibility for the discount and understand exactly what documentation they'll need to be able to support any claims they make.
- Self-help material coupled with the CGT Record Keeping tool, which is available in myTax but also on the ATO website, will let clients assess their additional discount percentage to claim on top of any existing CGT discount they may put in the "Total CGT discount" field in the Individual tax return.
- We'll update the IITR form instructions and CGT user guides, and within the ITR itself a new exemption/rollover code will be added to the existing list, and changes to the exemption/rollover label naming will assist and direct clients to claim the Affordable Housing discount.
- The validation rules currently on the Total CGT Discount applied field will be updated to allow discount amounts between 50% and 60% of total CGT gain for the year, as opposed to existing logic which only allows a maximum discount of 50% total CGT for the year.

- As an aside, any amounts reported using the new code will be allowed to be amended at a later date if the clients deem necessary (existing pattern for ITR lodgments)

These changes will be reflected across our myTax, PLS and OSFA lodgment channels.

**myTax:**

- Current logic in myTax only shows the CGT schedule when total CGT gain for the year is greater than 10,000
- The CGT schedule in myTax will be updated, so that if the new code is selected, the schedule will display and needs to be filled by the client. Having a capital gain of 10,000 or less should not exclude clients from being able to claim, but if they do claim, they'll need to justify the amounts

**Changes for 2022:**

In 2022 we are looking to populate instructional messages to agents in PLS/OSFA when we identify a dwelling has

- sales data, along with
- certificates received from the CHP, and
- Eligible days from the certificates aggregate to 1095.

When the agent requests the prefill report, the eligible dwelling will have an indicator with a message that the client “may be eligible to claim an additional descent”, and this should be the trigger to have a conversation to assess affordable housing discount eligibility with the client.

We need to test the integrity of the annual reports we will be receiving, and ensure our matching is working correctly, hence the delay until 2022

**Agenda item: 5 – XBRL to XML - Transitioning FBT return**

The working group was presented with a collection of messages to transition from XBRL to XML. It was decided to do the FBT return for 2021 first which will be delivered in both XBRL and XML formats.

The intention is to release a draft of the XML MST for feedback shortly. The schema will be released at the same time as the MST.

**Agenda item: 6 – Importing of SAN**

The DPO is seeking intel in relation to the importing of SMSF Auditor details from prior year returns.

It has been identified there have been occurrences where users, who have software enabled which auto-populates the previous year’s auditors’ details, have overlooked updating the details associated with the SMSF Auditor Number (SAN), which is causing potential compliance issues.

The DPO sent out an email on 21/08/2020 to all SMSFAR DSPs for feedback.

### **Agenda item: 7 – Delivery update**

Sangitha advised that the inclusion of additional special characters in income details is going into EVTE on Saturday (22/08) and PROD on 24/08.

There will also be optimisation of some SBR2 XML document layouts. The changes remove the carriage return and shouldn't impact many DSPs, and potentially only Private Rulings service at this stage.

### **Agenda item: 8 – Platform update**

Anu advised that platforms are stable and currently there are no issues to report.

### **Agenda item: 9 – Agent online environment update**

With the current COVID-19 situation in Victoria, the Commissioner has applied discretion and will be allowing flexibility with lodgement of August and September Activity Statements:

- The current lodgement due date will automatically update to the lodgement received date
- No compliance activities will be taken, no FTL penalties will be applied
- The payment due date will not change and GIC will still apply. Clients experiencing financial difficulty can apply for payment deferral or payment plan.
- Measure may be extended to other states and encompass other obligations as necessary.

Discussions are occurring with DSPs on managing this measure in software. Further communication will follow.

David is seeking feedback from DSPs regarding agents linking clients at the Client level, but then still 'bumping off' BAS agents listed at the account level. They are seeking to understand whether this is a widespread behaviour. Please send any intel through to the DPO.

### **Agenda item: 8 – DSP feedback**

Kevin Johnson raised a possible issue with ETPs being 'bounced' on lodgement – there was an issue previously in pre-lodge which has been remediated. Danny advised he will watch for them and Kevin confirmed he will send details of any further instances through to the DPO for investigation.

No further issues were raised.