

Key Outcomes – Practitioner lodgment services working group

Venue: Webex
Date: 11 April 2023
Start: 1.00pm AEST **Finish:** 1.32pm AEST
Chair and facilitator: Sonya Summers
Contact: Janette Zafiropoulos
Contact details: 02 8894 9263

Attendees:

Sonya Summers, Danny Figueiredo, Felicity-Ann Stokes, Sangitha Sivayogaraj, Anupama Duggirala, Catherine Brennan, Esther Daniell

Apologies:

David Baker

Agenda item 1 – Welcome

Sonya opened the meeting and welcomed the group.

It was agreed that the next meeting scheduled for the 25 April would be moved to the 26 April to accommodate the public holiday.

Agenda item 2 – Action item updates

There is 1 open [action item](#).

Agenda item 3 – Tax time related documentation

The following Change Advices were uploaded to Collaboration Hub on 6 April:

[CA2023-012 Small Business skills and training boost](#) (updated)

[CA2023-013 Small Business technology investment boost](#) (updated)

[CA2023-016 Adding validation messaging to capital allowance related labels](#)

The [2023 Salary and Wage Occupation codes](#) were uploaded into Collaboration hub on 3 April. After receiving feedback from DSPs, an updated version was uploaded on 17 April.

Agenda item 4 – Update on general matters and Tax time delivery

No updates.

Agenda item 5 – SMLC - SBR - Adding validation rules to Capital allowance related labels – Company/ Partnership return 2023

The completion rates for the Uniform Capital Allowance (UCA) related labels in income tax returns are generally very poor. The ATO is trying to improve completion of those labels as it will provide more reliable capital allowances data which will reduce the risk of false flags for compliant taxpayers being selected for ATO investigation.

To try and improve completion of the labels the ATO is taking a soft launch approach by alerting taxpayers/advisors that if they complete certain labels, and a corresponding UCA label hasn't been completed, a message will pop up to alert the preparer that they may need to complete the corresponding label. These warning messages do not make the suggestions compulsory.

For example:

If income has been entered in 6S, preparers will be asked to consider filling out the 6X - Depreciations Expenses label.

If 6X is filled out, they would be asked to also consider 10A or 10B, small business simplified depreciation labels

If 7F is filled out, we would ask the preparer to consider capital works, and to look at the capital allowances labels in section 9.

Please refer to the [Change advice](#) for a list of all the capital allowance labels and messaging that will appear.

Two questions were raised:

1. Why are only Companies and PTR considered, why not Trust and IND returns?
 - A. The main reason for only those return types was a soft launch approach to see the effect of the changes on some returns. Other returns may be considered later. It was also advised that the individuals labels were mostly specific to asset types so that was the main reason why IND was not included initially. Trusts were not included is due to their completion rates being much higher.
2. Why are small businesses who are using simplified depreciation not required to complete the 7F label when all other entities are required to do so, it causes confusion for anyone completing the Company ITR?
 - A. The group was referred to the Tax return instructions in the first instance, however additional information will be provided at a later date.

Agenda item 6 – CCIV update

The latest specifications went out in the SBR March release.

Tax Time instructions for the new form are on track for a late May release. These will be published on the ATO website.

A PDF visual of the new form will be available with the tax return instructions and will maintain the existing PDF form visual for the Attribution Managed Investment Trust (AMIT) tax return.

The Small Business Boost measures are still in Parliament and DSPs will be kept informed with any updates.

Currently there are three CCIVs with two of these having two CCIV sub-funds each, totalling five CCIV sub-funds.

Agenda item 7 – Small business boost update

The Small Business Boosts bill has not received Royal Assent. There is a possibility this may occur in the week of 13-22 June.

The mitigation strategies previously discussed will be implemented in the May EVTE release.

The validations will block any claims before July 2023.

Agenda item 8 – Delivery update

There are two remaining EVTE releases before going live for Tax Time.

April EVTE is scheduled for this weekend, closing out issues and bugs that have been raised, along with cyclical changes. It also includes defect fixes to the Activity Statement which is also part of the tax time release.

Mitigation validation rule for Small Business Boost and the Activity Statement breakdown – removing the changes as discussed in the working group, scheduled to be implemented in the May EVTE release.

Budget announcements, in particular changes to rates and thresholds, will be targeted for the May release if any changes are announced.

Agenda item 9 – Platform update

4 April - SBR2 experienced intermittent failures for approximately 1 hour 40 mins due to ATO gateway changes. Root cause analysis is currently in progress.

5 April - SBR2 experienced an outage for approximately 1 hour 24 mins due to issues with dependency systems migration. All operational processes have been updated to reflect the latest changes and teams are monitoring closely.

Agenda item 10 – Agent online environment update

The new lodgment deferral functionality was deployed into OSFA on the 31 March - for whitelisted agents only at this stage.

Agenda item 11 – DSP Communications

The newsletter will issue on Thursday this week. Work continues to progress with improvements to pages on the Software Developers website.

Agenda item 12 – DSP Feedback

No additional items were raised.