



## Key Outcomes

UNCLASSIFIED External

<b>Title:</b>	PLS working group – key outcomes		
<b>Issue date:</b>	29 April 2020		
<b>Venue:</b>	WEBEX		
<b>Event date:</b>	28 April 2020	<b>Start:</b> 1:00pm	<b>Finish:</b> 2:00pm

<b>Chair:</b>	Sonia Lark	<b>Facilitator:</b>	Sonia Lark
<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, David Andreoli, Nadeem Shariff, Amrik Singh, Ross Barns, Karen Greaves, Anupama Duggirala, Paul Stasinowsky, Paul Mosca, David Baker, Moran Yin, Deborah Robinson</p> <p>Industry – Jack Wee (Catsoft), Simon Smart (eTax), Sandeep Gopalan (GovReports), Lex Edmonds (MicroTax), Mike Behling, Michael Tong, Danny Koutoulas, Michael Tong, Scott Reid, Christinique Chapman (MYOB), Nathan Kerr (One-Click), Kevin Johnson, Steven Ivanopoulos (Reckon), Saiful Larry, Michael Wright (Sage), Karl Farrand (Taxlab), Shane Paxton, Paul Siriwidana (Thomson Reuters), Danna Zhang (Wolters Kluwer), Andrew Sprankling, Kelvin Newton, (Xero).</p>
<b>Apologies: name/section</b>	<p>Mike Denniss, Sha Sha (Class Super), Andrew Smith, (MYOB), Andrew Noble (Noble Accounting), Darin Carter (Sage), Charudatta More (Sparken), Dillon Tsotsis, Lisa Kim, Robert Xie (Wolters Kluwer), Anthony Migliardi, Rosemary Missier (Xero)</p>

<b>Next meeting</b>	12 May 2020
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## Agenda item: 1 – Introduction

Sonia welcomed the group and advised that there have been a number of guidance documents for the IITR income schedule published on the Software Developers website and in Online Services for DSPs - they are open for review and feedback up until 30 April.

Normally, the Department of Health adjusts the Private Health insurance (PHI) rebate percentages annually on 1 April meaning the percentages before and after 1 April are different. As part of COVID response, the Department of Health repealed the rebate percentage adjustments that were to take effect on 1 April 2020. This means the percentages before and after 1 April 2020 did not change. This information has been added to the Knowledge Base.

Sonia asked DSPs to let their account managers know whether they were intending to build the Payment Plan service before 31 December.

## Agenda item: 2 – Action item updates

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

## Agenda item: 3 – COVID-19 stimulus measures

Moran Yin provided details around the instant-asset write-off stimulus measure:

### From 12 March 2020

As part of the government's economic response to COVID-19, the instant asset write-off threshold has been increased from 12 March 2020 until 30 June 2020 to \$150,000 (up from \$30,000). The eligibility range has been expanded to cover businesses with an aggregated turnover of less than \$500 million (up from \$50 million).

From 1 July 2020, the instant asset write-off will only be available for small businesses with a turnover of less than \$10 million and the threshold will be \$1,000.

Assets that cost \$150,000 or more can be allocated to a small business entity's general small business pool. If the balance of the small business pool is less than \$150,000 at the end of an income year that ends on or after 12 March 2020 but before 1 July 2020, it can be written-off immediately.

### The changes impact tax return instructions only

### Depreciation and Capital Allowance Tool (DCAT) calculator will be updated

### Updates due to the Australian Government's Economic Response to Coronavirus

The tool will be updated on 1 July 2020 to calculate entitlements to the new:

- instant asset write-off changes
- backing business investment – accelerated depreciation.

If you use the tool before then for assets you held from 12 March 2020, or first used or installed ready for use from 12 March 2020, make sure you correctly calculate your entitlements for these assets. If you:

- accessed the tool using your myGov account, reviewing any asset records you have saved. Remember to add any additional information required and apply the updated calculation.
- used the tool outside of your myGov account you will need to re-enter the asset details to calculate and download updated results.

**Small** business entities (<\$10 million aggregated turnover)

- Two thresholds for 2020 income year
- For assets first used or installed ready for use:
  - from 1 July 2019 to 12 March 2020 - \$30,000 threshold
  - from 12 March 2020 to 30 June 2020 - \$150,000 threshold
- assets costing equal to or more than the relevant threshold amount – add to small business pool
- Small business pool is written off when its balance is below the \$150,000 threshold
- From 1 July 2020, threshold reverts to \$1,000

**Medium and larger** sized business (aggregated turnover from \$10 million to <\$500 million)

- Two thresholds for 2020 income year
- For assets first used or installed ready for use
  - From 1 July 2019 to 12 March 2020 - \$30,000 threshold
  - From 12 March 2020 to 30 June 2020 - \$150,000 threshold
- Claim at current depreciation tax return labels (add to other depreciation)
- Assets costing \$150,000 or more – maybe qualifying for BBI accelerated depreciation rule. Otherwise, normal depreciation rules apply.
- From 1 July 2020, normal depreciation rules apply

2019 instructions state to include the book depreciation expenses for depreciating assets including claims for IAWO for businesses with a turnover from \$10m to less than \$50m. You then make reconciliation adjustments for deduction for decline in value.

For 2020 income year, we expect the same approach is used to cover businesses with a turnover from \$10m to less than \$500m. It will be updated in the 2020 tax return instructions.

#### Agenda item: 4 – Changes to company tax return – latest update

Deb Robinson advised that a change advice had been lodged to remove the 'internet' question from the company, partnership and trust tax returns. It is not being removed from the individual tax return this year. The changes will be made to the paper returns for 2020 with system changes being implemented in 2021.

Deb thanked the group for their feedback and advised she would be back to discuss the system changes next tax time.

## Agenda item: 5 – Div 293 messaging

Danny Figueiredo advised that the specs for the Div 293 messaging (details presented to the group previously) are now available on Software Developers Website.

<https://softwaredevelopers.ato.gov.au/list/tax-preparation/specifications/Div293TA>

## Agenda item: 6 – Tax Time 2020

Sangitha advised there are no new updates and that the Q2 delivery was tracking well, with no changes or adjustments.

The group sought further clarification on the 2020 R&D schedule and what happens if/when legislation passes. The DPO will reach out to Helen Adamovich to answer questions. Please send any questions you would like clarified through to [DPO@ato.gov.au](mailto:DPO@ato.gov.au) or via your account manager. We will follow up and provide responses as soon as we can. Helen will also attend the next meeting.

Helen has provided the following details for some of the queries raised:

- There are no changes to be implemented in 2020 for the R&D schedule or company tax return **labels** for R&D, however there are some rules that have minor changes to cater for either legislative provisions.
- There are additional information fields that will be required **if** the legislation passes (in the EVTE and our Change Advice).  
We have responded to a couple of questions from software providers, confirming that these labels are not expected to be required before September 2020 (as the report on the Bill is not due until August 2020). We suggest that these are not progressed in priority to other changes that are required for July.
- No changes to the paper forms until the legislation passes, which will be deployed in the following June (e.g. not before June 2021).

*Please note:* the **mock up** (provided in the change advice) **was background information only** for calculations that software providers may want to use to assist their clients if the legislation passes. That is, they could build the calculations to assist their clients, our rules will allow either amounts to be transmitted and we expect that the ATO will undertake manual work following lodgment to ensure the correct provisions are applied.

## Agenda item: 7 – Platform update

Anu provided an overview of platform performance over the past fortnight.

Currently BBRP performance is showing as impacted (amber) due to a backlog of correspondence transactions. To reduce the impact, inbound throttling has been temporarily removed.

The SBR2 channel has seen processing volumes in excess of those usually seen during tax time,

The times have been revised for this weekend's outage related to JobKeeper updates. The outage is now scheduled from 8:00PM Saturday to 7:00AM Monday. Dashboards will be updated once confirmation is received. Dino Di Lorenzo confirmed he will ensure the appropriate system maintenance pages are updated.

*Previous incident on BBRP slowness*

Upscaling was implemented in Production and the issues which had been experienced over the Easter weekend have not recurred.

### **Agenda item: 8 – Agent online environment update**

David Baker provided updates to a couple of action items – the details have been updated on the action item register.

The Agent Online environment has experienced large loads with over 2.3 million pages visited in OSfA last Wednesday. The measures which were put in place ensured demands were met and loads were managed without throttling.

### **Agenda item: 9 – DSP feedback/Other issues**

Action item: Are Cash Flow boost payments reported on the ITR, and if so, where?

Ross Barns advised another version of the IITR granular data FAQs will be published shortly which addresses additional queries.