
Client Alert

June 2017

The ATO now have an additional \$32 million to target the cash economy. Expect more ATO audits with the data matching capabilities. Cafés, restaurants and other businesses that accept cash should ensure their point of sale systems have proper audit trails that match their cash deposits.

GST on new residential property and sub-divisions

In an approach designed to crack down on some property developers failing to make GST payments to the ATO, property developers will no longer manage the GST on sales of newly constructed residential properties or new subdivisions. Instead, the Government will require purchasers to remit the GST directly to the ATO as part of the settlement process.

Superannuation

Contribute the proceeds of downsizing to superannuation for older Australians

From 1 July 2018, a person aged 65 or over will be able to make a non-concessional contribution of up to \$300,000 from the proceeds of selling their home. These contributions will be in addition to those currently allowed under the existing rules and caps and will be exempt from the existing age test, work test and the \$1.6 million balance test for making non-concessional contributions.

* This measure will apply to sales of a principal residence owned for the past 10 or more years and both members of a couple will be able to take advantage for the qualifying home. *

First Home Super Save Scheme

To encourage home ownership, voluntary contributions to superannuation made by first home buyers from 1 July 2017 can be withdrawn for a first home deposit, along with associated deemed earnings. Concessional contributions and earnings that are withdrawn will be taxed at marginal rates less a 30% offset. Under the measure, up to \$15,000 per year and \$30,000 in total can be contributed (within existing contribution caps). Contributions can be made from 1 July 2017. Withdrawals will be allowed from 1 July 2018 onwards. Both members of a couple can take advantage of this measure to buy their first home together.

Foreign Workers

There has been lots of news recently about the removal of the 457 visa program. Businesses that employ foreign workers on certain skilled visas will pay a levy that will be channelled into the *Skilling Australians Fund*. From 1 March 2018, Businesses with turnover of less than \$10 million per year will make an upfront payment of \$1,200 per visa per year for each employee on a Temporary Skill Shortage visa and make a one-off payment of \$3,000 for each employee being sponsored for a permanent Employer Nomination Scheme.

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Book in your End of Financial Year Meeting with us Today!

This is just a general summary of how the Budget may affect you. If you haven't met with us yet, **now** is the time to contact us to arrange an End of Financial Year meeting, so we can help you limit your tax payments, discuss your goals and plans for the next year, and grow your wealth. Remember, we both need time to implement any appropriate tax savings strategies for you well before 30 June 2017.

General advice disclaimer

General advice warning: The advice provided is general advice only as, in preparing it we did not take into account your investment objectives, financial situation or particular needs. Before making an investment decision on the basis of this advice, you should consider how appropriate the advice is to your particular investment needs, and objectives. You should also consider the relevant Product Disclosure Statement before making any decision relating to a financial product.