



# News and Views Podcast Show

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## Presented by:

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## Episode 74 – ATO Focus Areas for Individuals

Welcome and once again we will be discussing dates and then take a look at the ATO focus areas for individuals.

### Reminders:

- Tax scams – be aware of the tax scams going around.
- ATO never cold calls for debt and never threatens jail or arrest.
- If you received these kind of scam it can be forwarded to [reportemailfraud.ato.gov.au](mailto:reportemailfraud.ato.gov.au)

10% withholding on real property sales over \$2 million for contracts entered into after 1/7/16

If Australian resident vendor - need to provide a clearance certificate to the purchaser prior to settlement

Purchasers must pay amount withheld to ATO at settlement (if no clearance certificate)

### ATO focus for 2016

- Individuals
- ATO have software now to compare similar individuals and what they are claiming.
- Employee groups are being looked at 3 rules:
  - You spent money – not reimbursed by employer
  - It is related to job
  - You have record to prove it

### Main Targets

- Car expenses – now only 2 methods (look at purposes – performing your job)
  - Work related deduction higher than expected. In particular car exp for bulky goods, travel, internet and mobile self-education
- Contacting employers to validate claims
- Uniforms – need to be occupation specific, protective or distinctive
- Mobile phone or internet – records to support claims – 4-week diary if more than \$50
- Self - education – checking word-related - direct relationship
- Rental property deductions – excessive interest expense and incorrect apportionment
- Excessive interest, mixed loans. Interest claim increases when rates going down

- New purchases – incorrect claims
- Arm's length and genuine market rates
- Apportionment between spouses higher deduction in one than other (on higher income earner)
- Audit insurance