



2410 : JUNE 2024

The IFX Legal Tax Team

**INFORMATION EXCHANGE  
CORPORATION**

L17, 40 Mount Street,  
North Sydney NSW, 2060

E: [admin@ifx.com](mailto:admin@ifx.com)

T: 61 2 9956 7775

W: [www.ifx.com.au](http://www.ifx.com.au)

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**IN THIS ISSUE**

<b>SECTION 1 – PROFESSIONAL DEVELOPMENTS</b> .....	1
<b>TAX TIME 2024</b> .....	1
¶10.1 Work-related expenses .....	1
¶10.2 Rental property expenditure .....	2
<b>SECTION 2 – PROFESSIONAL CURRENCY</b> .....	3
<b>BILLS AND LEGISLATION</b> .....	3
¶10.3 2024 Budget summary .....	3
¶10.4 Tax omnibus Bill.....	4
¶10.5 The new Administrative Review Tribunal.....	8
¶10.6 Delivering Better Financial Outcomes.....	8
¶10.7 Small Business and Charities Bill.....	9
<b>CASES AND DECISIONS</b> .....	10
¶10.8 Asset betterment assessments .....	10
¶10.9 Another tax agent case.....	11
¶10.10 Shortfall penalties reduced.....	13
¶10.11 ATO gets a win of almost \$18m .....	14
¶10.12 Tax on sale of real estate .....	15
¶10.13 Taxpayers fail to show assessments were excessive.....	17
¶10.14 Cancellation of tax agent’s registration.....	18
¶10.15 Capital loss on sale of shares disallowed .....	20
¶10.16 Bank deposits found not to be income.....	23
¶10.17 Controlling individual not disqualified despite SMSF being involved in tax avoidance scheme .....	24
¶10.18 No jurisdiction without objection decision .....	26
¶10.19 Luxury car tax payable on importation of vehicle.....	28
<b>RULINGS AND GUIDELINES</b> .....	29
¶10.20 New tax legislative instruments .....	29

*Continued*

2410 : JUNE 2024

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## IN THIS ISSUE

STATE TAXES .....	29
NEW SOUTH WALES.....	29
¶10.21 No exemption for horse racing and breeding properties.....	29
¶10.22 Stamp duty.....	30
¶10.23 Surcharge land tax.....	31
¶10.24 Deed of variation failed to convert a discretionary trust to a fixed trust.....	31
VICTORIA .....	31
¶10.25 <i>Marchio v Commissioner of State Revenue</i> .....	31
SOUTH AUSTRALIA .....	31
¶10.26 2024–25 Budget .....	31
SECTION 3 – QUESTIONS AND ANSWERS .....	32
¶10.27 Capital gains tax .....	32
¶10.28 Consolidated group loss issues.....	33
¶10.29 Tax treatment of dividends for dual US–Australian citizens.....	34
¶10.30 Deceased estate taxation .....	36
¶10.31 Requirements to be a secured loan .....	36
¶10.32 SMSF investment in a geared unit trust.....	37
¶10.33 Transfer of asset to SMSF .....	38
¶10.34 Negative bank balance in SMSF.....	39
¶10.35 Withdrawal of money from company .....	40
¶10.36 Whether company derives BREPI.....	41

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## SECTION 1 – PROFESSIONAL DEVELOPMENTS

### TAX TIME 2024

That time of year has rolled around again where taxpayers and tax agents turn their attention towards 2024 tax returns. As in past years, the ATO has [outlined its priorities](#) for tax time compliance.

It has specified three areas that it sees as common errors made by taxpayers. Although these mistakes are frequently innocent mistakes, there are some deliberate inclusions or omissions. The areas are:

- incorrectly claiming work-related expenses
- inflating claims for rental property expenditure
- failing to include all income when lodging their returns.

Last year the ATO's focus was on work-related expenses, rental property deductions and capital gains tax (CGT). It will come as no surprise that work-related expenses and rental property deductions are again in the firing line. Details of the issues under scrutiny are as follows.

#### ¶10.1 Work-related expenses

Predictably, this category focuses mainly on deductions taxpayers claim for working from home.

Last year, the ATO revised the fixed rate method for calculating working-from-home deductions to:

- broaden the inclusions;
- increase the rate; and
- adjust the records required to substantiate the claim.

To substantiate a working from home deduction, taxpayers will need to keep records. Those records need to:

- show the actual number of hours the employee worked from home – this can be via a calendar, diary or spreadsheet; and
- justify the additional running costs incurred (including electricity or internet charges).

The ATO often finds cases where taxpayers have simply copied and pasted figures from an earlier tax return, and strongly warns against this practice.