



Newsletter, April 2020

Practice Update

Accountant’s workloads have dramatically increased over this financial year, mainly due to completing 2019 tax returns that weren’t completed by 30 June and assisting with JobKeeper lodgements & assessments (and multiple re-assessments as changes were made). The accounting bodies are now lobbying the government to provide lodgement deferrals for 2020 tax returns. I’m just looking forward to having all 2020 tax returns completed by 30 June so that the next financial year is back to normal!

Land tax beneficiary nominations

From 1 July 2021, land held on trust will be subject to a higher rate of land tax and a lower land tax threshold unless a beneficiary is nominated. The land tax rates are as follows:

Land value	General rate	Trust rate (surcharge)
\$ 0 - \$25,000	\$ 0+0.00%	\$ 0+0.00%
\$ 25,001 - \$450,000	\$ 0+0.00%	\$ 125+0.50%
\$ 450,001 - \$723,000	\$ 0+0.50%	\$ 2,250+1.00%
\$ 723,001 - \$1,052,000	\$ 1,365+1.25%	\$ 4,980+1.75%
\$1,052,001 - \$1,350,000	\$ 5,477.50+2.00%	\$10,737.50+2.40%
\$1,350,001+	\$11,437.50+2.40%	\$17,899.50+2.40%

By way of example:

\$ 500,000	\$ 250.00	\$2,750.00	(\$2,500 difference)
\$1,000,000	\$4,827.50	\$9,827.50	(\$5,000 difference)

Trusts have a once-off option to nominate the beneficiary of a trust (which must be made prior to 30 June 2021) and be subject to the general rate (it generally cannot be changed but it can be withdrawn). If a trustee chooses to nominate a beneficiary for land tax purposes, the beneficiary’s interest in the land will be aggregated with any other interests in land that they own.

If a 2020-21 land tax assessment has increased between \$2,500 & \$102,500 then you can apply for relief being 50% of the amount above \$2,500 (the increase cannot be due to an increase in land value or the application of the higher trust rates). Applications for relief for 2020-21 land tax assessments must be made by 31 December 2021: <https://www.revenuesa.sa.gov.au/landtax/transition-fund>

Lodgement Dates

The March quarter has now ended so you should be aware of the following dates:

- 28 April 2021 March quarter superannuation due
- 28 April 2021 March quarter Business Activity Statement (BAS) due
- 17 May 2021 2019/20 income tax return due for all taxpayers not requiring earlier lodgement
- 30 June 2021 June quarter superannuation due if qualifying for 2020/21 tax deduction
- 30 June 2021 Land tax trust beneficiary nominations due
- 28 July 2021 June quarter superannuation due

Did you know that if your Tax Agent lodges your quarterly BAS electronically, you get a four week electronic lodgement and payment concession? This means that the March quarter BAS is due for lodgement and payment by 26 May 2021. Please contact me if I can be of assistance.

Kind regards,
Nick