

March 2024

Monthly Tax Update

In this edition of Andersen in Australia's Monthly Tax Update, we provide recent legislative updates and outline the latest developments in the areas of corporate tax, individual tax, indirect tax and international tax. We also examine the ATO's recent activities, publications, rulings and other guidelines and discuss the latest Australian tax cases.

Legislation Update

Following our last update, the following Bills have received assent and are now law.

[Treasury Laws Amendment \(Cost of Living Tax Cuts\) Bill 2024](#)
[Treasury Laws Amendment \(Cost of Living—Medicare Levy\) Bill 2024](#)

The Bills to revise the Stage 3 individual income tax changes and Medicare thresholds received assent on 5 March 2024 and are now law.

- Treasury Laws Amendment (Cost of Living Tax Cuts) Bill 2024 received assent as Act No 3 of 2024; and
- Treasury Laws Amendment (Cost of Living - Medicare Levy) Bill 2024 received assent as Act No 4.
 - Treasury Laws Amendment (Cost of Living Tax Cuts) Bill 2024

On 25 January 2024, the government announced changes to the Individual income tax rates and thresholds from 1 July 2024 (as a revision of the previous Stage 3 Tax Package). These changes are now law.

The tax thresholds and rates for individual taxpayers will apply from 2024–25. The proposed tax changes will:

- reduce the 19% tax rate to 16%
- reduce the 32.5% tax rate to 30%;
- increase the threshold above which the 37% tax rate applies from \$120,000 to \$135,000;
- increase the threshold above which the 45% tax rate applies from \$180,000 to \$190,000.

For more information, please refer to [Treasury Laws Amendment \(Cost of Living Tax Cuts\) Bill 2024](#) or the [Bills Digest](#) for key points covered in this Bill.

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Legislation Update (Cont.)

- [Treasury Laws Amendment \(Cost of Living—Medicare Levy\) Bill 2024](#)

Schedule 1 to the Treasury Laws Amendment (Cost of Living—Medicare Levy) Act 2024 increases the following thresholds in line with movements in the Consumer Price Index (CPI) retrospectively from the 2023-24 income year:

- the Medicare levy low-income thresholds for individuals and families (along with the dependent child/student component of the family threshold)
- the Medicare levy low-income thresholds for individuals and families eligible for the Seniors and Pensioners Tax Offset (SAPTO) (along with the dependent child/student component of the family threshold), and
- the surcharge low-income threshold.

This measure commences 6 March 2024.

For more information, please refer to [Treasury Laws Amendment \(Cost of Living—Medicare Levy\) Bill 2024](#) or the [Bills Digest](#) for key points covered in this Bill.

Other Legislation Update

ATO data matching programs on novated leases and rental bonds

The ATO has issued 2 Gazette notices notifying taxpayers that they will commence data-matching programs to acquire data for rental bonds and novated leases for 2023–24 through to 2025–26.

- [Commissioner of Taxation – Notice of a rental bond data-matching program - 23 February 2024 \(Gazette notice C2024G00132\)](#)

Rental bond data will be acquired from state and territory rental bond regulators bi-annually for 2023-24 through to 2025-26.

Data items to be collected will include:

- individual client details (names, addresses, email addresses, phone numbers, unique identifier for the landlord);
- landlord and managing agent identification details (business names, addresses, contact names, email addresses, phone numbers, unique identifier of the managing agent);
- rental bond transaction details (rental property address, period of lease, commencement of lease, expiration of lease, amount of rental bond held, number of weeks the rental bond is for, amount of rent payable for each period, period of rental payments, type of dwelling, number of bedrooms and unique identifier of the rental property).

Novated lease data will be obtained from McMillan Shakespeare Group, Smartgroup Corporation, SG Fleet Group, Eclipx Group, LeasePlan, Toyota Fleet Management, LeasePLUS and Orix Australia for 2023–24 through to 2025–26.



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Other Legislation Update (Cont.)

- **Commissioner of Taxation – Notice of a novated leases data-matching program 23 February 2024 (Gazette notice C2024G00139)**

Data items to be collected will include:

- lessee/employee identification details (unique identifier of the lessee, name of the lessee, addresses of the lessee, date of birth of the lessee, all contact telephone numbers for the lessee, email addresses of the lessee)
- employer identification details (unique identifier of the employer, trading and legal names of the employer, ABN of the employer, addresses of the employer, contact name for the employer, contact telephone numbers for the employer, email addresses of the employer)
- lease transaction details (unique identifier for the lease transaction, lease start date, lease end date, lease expected end date, lease termination date, number plate of the vehicle, type of vehicle, category of vehicle, lease price per month including GST, items packaged with the vehicle lease, expenses packaged with the vehicle lease, bank account name for the lessee, bank account number for the lessee, bank account BSB for the lessee).

Such data may be used to initiate nudge messaging to taxpayers and tax professionals through online services at, or before the time of lodgment, to inform them that motor vehicle expenses under a novated lease arrangement are not tax-deductible.

Determination on working out monthly PAYG instalments

A legislative instrument has been made to continue an alternative method for working out pay as you go (PAYG) instalments for monthly payers.

The **Taxation Administration (Additional Method for Working Out the Amount of Monthly Instalment Liabilities) Determination 2024** provides entities required to make PAYG instalments on a monthly basis with a simpler alternative method for working out the amount of their monthly instalment. Where the conditions set out in the instrument are met, the alternative method can be used instead of the method specified in s 45-114(1) in sch 1 to the Taxation Administration Act 1953.

Broadly, the alternative method allows an eligible taxpayer to calculate the first 2 instalments of a quarter by applying the applicable instalment rate to a "reasonable estimate" of their instalment income for the month. The Commissioner may prevent a monthly payer from using the alternative method by notifying them in writing that they are required to use the

method specified in s 45-114. This may occur where the Commissioner considers a monthly payer has not made a reasonable estimate of their instalment income.

The instrument is effective from 13 February 2024. It repeals and replaces a 2013 instrument ([F2013L01933](#)), which was due to sunset on 1 April 2024.



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OECD update

Release of Amount B report to simplify transfer pricing rules and relevant changes to commentary of the OECD Model Tax Convention

As part of the Pillar-Two Solution to Address the Tax Challenges Arising from the Digitalisation of the Economy agreed by the OECD/G20 Inclusive Framework on BEPS in October 2021, a [report on Amount B of Pillar One](#) was released to provide a simplified and streamlined approach to the application of the arm's length principle to in-country baseline marketing and distribution activities, with a particular focus on the needs of low-capacity countries. Content from the report has now been incorporated into the OECD Transfer Pricing Guidelines.

The approach set out in this report answers the call of low-capacity countries for what the African Tax Administration Forum has described as "vital" changes to the OECD Transfer Pricing Guidelines, providing what "could be a game changer for the African transfer pricing landscape".

Several low-capacity countries report that between 30-70% of their transfer pricing disputes relate to baseline marketing and distribution activities. The changes to the OECD Transfer Pricing Guidelines agreed in this report will provide jurisdictions with the option of applying straightforward bright-line rules to these activities, allowing them to secure revenue and preserve valuable tax administration resources while providing additional certainty to multinational enterprises.

Drawing from existing principles in the OECD Transfer Pricing Guidelines, Amount B provides a simplified and streamlined pricing framework that determines a return on sales for eligible distributors. This framework is expected to reduce transfer pricing disputes, compliance costs, and enhance tax certainty for tax administrations and taxpayers alike. Low-capacity jurisdictions facing limited resources and data availability will especially benefit from the administrative simplification provided by Amount B.

The report, which introduces 2 options for implementation for jurisdictions that opt into the simplified and streamlined approach from January 2025, describes the circumstances under which a distributor is within scope of Amount B including cases where it also performs certain non-distribution activities, such as manufacturing. It also sets out the activities that may exclude a distributor from the scope of the simplified and streamlined approach, such as the distribution of commodities or digital goods.

The report is released in line with the [July 2023 Outcome Statement on the Two-Pillar Solution to Address the Tax Challenges Arising from the Digitalisation of the Economy](#), with further work on the interdependence of Amount B and Amount A under Pillar One to be undertaken prior to the signing and entry into force of the Multilateral Convention.

The inclusion of the Amount B guidance into the OECD Transfer Pricing Guidelines is accompanied by relevant changes to the Commentary on Article 25 of the OECD Model Tax Convention. The changes signpost specific language relating to tax certainty and the elimination of double taxation included in the report on Amount B and are intended to ensure

optionality is preserved in all dispute resolution mechanisms for non-adopting jurisdictions. In particular, the amendments to the Commentary on Article 25 direct States and taxpayers to have regard to and follow specific directions within the report on Amount B where relevant to issues being considered under mutual agreement and MAP arbitration procedures. The conforming changes were prepared by Working Party 1, approved by the Inclusive Framework and will be submitted shortly for approval to the OECD Council prior to publication.

For further information on Amount B, please refer to [OECD website](#).



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Other updates

Increase in social security payments from 20 March 2024

From 20 March 2024, certain social security payments will be increased due to indexation.

Recipients of Age Pension, Disability Support Pension and Carer Payment will receive an increase of \$19.60 a fortnight for singles and \$29.40 a fortnight for couples combined.

The maximum rate of pension will be \$1,116.30 a fortnight for singles, and \$1,682.80 a fortnight for couples (including the Pension Supplement and Energy Supplement).

Rent Assistance, JobSeeker, Parenting Payment Single and ABSTUDY will also all be indexed.

The income and assets limits for the payments being increased on 20 March 2024 will also increase as a result of payment rates indexation.

For further information, please refer to the [media release](#) by Minister for Social Services.

Government to pay superannuation on paid parental leave

In a media release, the The Hon Amanda Rishworth MP (Minister for Social Services) said parents are set to receive 12% superannuation on government funded paid parental leave (PPL) from July 2025, in a move that will help achieve gender equality.

The federal government's latest reform on the PPL scheme stems from recommendations made in the Women's Economic Equality Taskforce as well as calls from unions to pay superannuation on PPL as a way to help bridge the retirement savings gap, noting that women currently retire with about 25% less superannuation than men.

Under the scheme, parents of children born on or after 1 July 2025, will receive 12% superannuation on top of their government funded PPL. Approximately 180,000 families receive these payments annually.

This latest reform builds on the federal government's Paid Parental Leave Amendment (More Support for Working Families) Bill 2023 (the Bill), which is currently before the Senate. The Bill proposes to give families an additional 6 weeks of PPL. If passed, from 1 July 2024, families will have access to an extra 2 weeks of leave each year, until the overall length of the scheme is increased to 26 weeks by July 2026.

Further details of the measure to pay superannuation on PPL will be released in the federal budget.

For further information, please refer to the [media release](#) by the Minister for Social Services.



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Other updates (Cont.)

Public country-by-country reporting

Exposure draft legislation outlining amendments to require certain large multinational enterprises to report and make available for disclosure selected tax information on a country-by-country (CBC) basis was released for consultation.

The draft Bill contains amendments to the Taxation Administration Act 1953 to impose a new reporting obligation on certain large multinational enterprises. Unless otherwise exempt, the reporting obligation will apply to CBC reporting parents that are certain types of constitutional corporations, partnerships or trusts, and that are members of a CBC reporting group. The CBC reporting parent will only be subject to the reporting obligation if \$10 million or more of their aggregated turnover for the income year is Australian-sourced. The CBC reporting parent will be required to give the information in the approved form to the Commissioner, with the Commissioner facilitating publication on an Australian government website.

A draft legislative instrument specifies jurisdictions for which a CBC reporting parent will be required to publish selected tax information. The jurisdictions specified are those that are typically associated with tax incentives, tax secrecy and other matters likely to facilitate profit shifting activities. These jurisdictions align with the Commissioner's International Dealings Schedule specified countries or jurisdictions list, excluding jurisdictions in the European Union.

Broadly, the information required to be published will relate to presence and tax dealings in particular jurisdictions. For Australia and specified jurisdictions, relevant information must be published on a CBC basis. For all other jurisdictions that a CBC reporting group operates in, the CBC reporting parent will have a choice to publish that same information on either a CBC or an aggregated basis.

The amendments are proposed to apply to reporting periods commencing on or after 1 July 2024. For example, where an entity has a reporting period ending 31 December, the first reporting period for that entity will commence on 1 January 2025.

The government had first proposed a measure for multinational entities to allow for the public release of certain information on a CBC basis and a statement on their approach to taxation in the 2022–23 October Budget. The exposure draft materials build on consultations following the Budget announcement and reflect the government's undertaking which was outlined on 23 June 2023 that the measure would be refined to more closely align with the European Union's public CBC regime.

The consultation process was completed on 5 March 2024.

For further information, please refer [here](#).

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ATO Rulings and Activity

Eligibility for small business Capital Gains Tax (CGT) concessions

The ATO has published information on its website to help small businesses check if they are eligible for the small business CGT 15-year exemption and other concessions.

The information includes an overview of the CGT concessions and outlines the following:

- How the small business CGT concessions work
- Basic eligibility conditions
- Applying the small business CGT concessions
- How the CGT concessions affect super contributions

For further information, please refer to the [ATO website](#).

ATO ruling on when does a corporate limited partnership 'credit' an amount to a partner in that partnership?

The ATO has finalised the guidance on when a corporate limited partnership (CLP) "credits" an amount to one or more of its partners, within the meaning of s 94M of ITAA 1936. The Commissioner's view was previously issued in Draft Taxation Ruling TR 2017/D4.

The Ruling states that a corporate limited partnership credits an amount to one of its partners if it provides a benefit to the partner that is not subject to a condition precedent and is legally enforceable by the partner and is separate and distinct from the partner's existing interest in the corporate limited partnership and its assets.

Moreover, in order to provide certainty for Australian CLPs and Australian-resident partners of foreign CLPs, Taxation Ruling [TR 2024/2](#) has been updated to address the flexibility available in many CLP constitutions, such that a relevant "benefit" may be conferred upon a partner without formally issuing additional partnership interests to that partner.

ATO ruling on deductibility of self education expenses

The ATO has finalised its ruling which outlines the principles applying to the deductibility of self-education expenses under s 8-1 of ITAA 1997. Taxation Ruling [TR 2024/3](#) also provides extensive examples of expenditure that can be deductible as a self-education expense, as well as those that cannot be deducted.

The ruling should be read in conjunction with Taxation Ruling TR 2020/1 Income tax: employees: deductions for work expenses under section 8-1 of the Income Tax Assessment Act 1997, which provides the foundation of general deductibility principles for work expenses under s 8-1.

It updates Taxation Ruling [TR 98/9](#) (withdrawn with effect from 27 September 2023) and paras 11(d), 13(c), 43 and 44 of Taxation Ruling TR 92/8 Income tax: deductibility of self-education expenses (now withdrawn), which were reproduced in a note at the end of TR 98/9. Taxation Ruling TR 98/9 and the relevant paragraphs from TR 92/8 were withdrawn with effect from the date this ruling was issued as a draft for public comment, being 27 September 2023.

The ruling was previously issued in draft form as TR 2023/D1.

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ATO Rulings and Activity (Cont.)

ATO withdrew the ruling on overseas aid gift deduction scheme

The ATO has withdrawn a ruling on the overseas aid gift deduction scheme.

Taxation Ruling [TR 95/2](#) contained guidelines for organisations seeking deductible gift recipient (DGR) status under the Overseas Aid Gift Deduction Scheme.

Taxation Ruling TR 95/2 is withdrawn with effect from 29 February 2024.

TR 95/2 has been replaced by [guidance](#) published on the ATO website on 2 January 2024.

ATO findings on illegal early access of super estimate

The ATO has released the findings of a new program that estimates the size, scale and trajectory of superannuation illegally accessed from self-managed super funds (SMSFs) before a condition of release has been met.

It has been estimated for the 2020 year, \$381m of super has been illegally withdrawn by trustees. In the 2021 year, the ATO estimated \$256 million of super has been illegally accessed.

ATO analysis also found SMSFs entered into over \$200m in prohibited loans in each of these years.

The illegal early access estimate follows the same rigour and best practice approach used in other tax gap programs allowing the ATO to measure the performance and health of the tax and super system.

The process involves an independent external panel who review not only the method, but also the calculation to ensure they are reliable enough to be published.

The self-managed superannuation funds illegal early access estimate highlights why as a regulator the ATO is concerned with illegal early access and why it's important for regulators and the industry to ensure SMSFs aren't used as a vehicle to access super illegally or to provide short-term finance.

As with other tax gap programs, the ATO will be undertaking the illegal early access estimate on an annual basis.

For further information, please refer to the [ATO website](#).

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ATO Rulings and Activity (Cont.)

ATO finalises guidance on flip yoghurts and combination foods

The ATO has finalised its guidance on the GST implications of supplies of combination food, in light of the AAT decision in *Chobani Pty Ltd v FC of T* 2023 ATC, [2023] AATA 1664 ("Chobani"). In addition, the ATO's [Detailed Food List](#) has been amended.

Goods and Services Tax Determination [GSTD 2024/1](#) contains guidance on when, under s 38-3(1)(c) of the A New Tax System (Goods and Services Tax) Act 1999 (GST Act), a supply is a supply of "combination food" ie food that is a combination of one or more foods at least one of which is taxable food of a kind specified in the third column of the table in cl 1 of sch 1 to the GST Act.

In *Chobani*, the AAT held that Chobani Flip Strawberry Shortcake flavoured yoghurt (the product) was a combination food that was not GST-free. The product comprised flavoured yoghurt in a plastic tub compartment with dry inclusions (cookie pieces and chocolate chips) in a smaller compartment of the tub. Each of the dry inclusions was a taxable food. It was expected that the dry inclusions would be mixed with the yoghurt before consumption. The AAT found it "inescapable" that the product was a combination of flavoured yoghurt, cookie pieces and chocolate chips – in which the latter components were "not insignificant; remain readily identifiable; and are not subsumed into a separate product". The dry inclusions, it was found, were not integrated into the yoghurt and were significant, as indicated by their physical separation in the product as sold, their relative weight and cost, marketing and consumer experience.

The Commissioner's views on the meaning of "combination food" are:

- A supply of a combination food involves the supply of food that includes at least one separately identifiable taxable food.
- A food is separately identifiable when it can be individually perceived by ordinary visual inspection. Being listed as an ingredient in a food alone is not sufficient to establish that a food is separately identifiable.
- The word 'combination' in s 38-3(1)(c) takes its ordinary meaning, as the 'product or outcome of joining two or more things together in some way'.
- Whether separately identifiable foods are sufficiently joined together so that they form a combination food is a matter of overall impression, having regard to factors including physical appearance and packaging, labelling, marketing, product design, manner of sale and consumer experience.
- A separately identifiable taxable food may be so *integrated* into the overall product, or be so insignificant within that product, that it has no effect on its characterisation.
- Whether food is a combination food must be determined at the point of supply. An expectation or likelihood that the combination food may be later separated, mixed or blended does not prevent it from being a combination food.

The following 3 principles apply when determining whether there is a supply of a combination food:

- There must be at least one separately identifiable taxable food.

- The separately identifiable taxable food must be sufficiently joined together with the other components of the overall product at the time of sale.
- The separately identifiable taxable food must not be so integrated into the overall product, or be so insignificant within that product, that it has no effect on its characterisation

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ATO Rulings and Activity (Cont.)

ATO finalises guidance on flip yoghurts and combination foods (Cont.)

It is noted that Goods and Services Tax Ruling [GSTR 2001/8](#) (Goods and services tax: Apportioning the consideration for a supply that includes taxable and non-taxable parts) deals with identifying supplies that include taxable and non-taxable parts. This includes how to distinguish mixed supplies from supplies that are in substance one thing – composite supplies. The Commissioner said that [GSTR 2001/8](#) has no application to supplies of combination foods, as supplies of combination foods are wholly taxable and have no non-taxable parts.

The determination applies both before and after its date of issue. The Commissioner will continue to act in accordance with Law Administration Practice Statements PS LA 2011/27 (Determining whether the ATO's views of the law should be applied prospectively only) and [PS LA 2012/2 \(GA\)](#) (GST classification of food and beverage items).

GSTD 2024/1 was initially issued as [GSTD 2023/D1](#).

In addition, an [Addendum to the Goods and Services Tax Industry Issues Detailed Food List](#) has been issued to align relevant entries with GSTD 2024/1, add new food and beverage product lines, merge similar entries and update several entries to better explain why they are GST-free.

Time limits for claiming an input tax or fuel tax credit

The ATO has issued a draft ruling ([MT 2024/D1](#)) setting out the Commissioner's view on the 4-year entitlement period for claiming input tax credits or fuel tax credits (tax credits).

MT 2024/D1 sets out the Commissioner's view on:

- when and to what extent a tax credit has been taken into account in an assessment
- when the 4-year entitlement period ends
- the exceptions to the 4-year entitlement period
- when an objection to an assessment may preserve your entitlement to a tax credit
- the interaction between the limiting provisions and private ruling and amendment requests.

For example, the Commissioner provides as follows in relation to the 4 year entitlement period:

"The 4-year entitlement period is the period of 4 years commencing after the day on which you were required to give the Commissioner a return for the tax period or fuel tax return period to which the credit would be attributable under subsections 29-10(1) or (2) of the GST Act or subsections 65-5(1), (2) or (3) of the FTA.

The 4-year entitlement period is only altered if, prior to the end of the 4-year entitlement period, there is a formal extension granted by the Commissioner to the due date for the return for the tax period or fuel tax return period to which the tax credit would be attributable under subsections 29-10(1) or (2) of the GST Act or subsections 65-5(1), (2) or (3) of the FTA.

Your entitlement to tax credits ceases immediately on the expiry of the 4-year entitlement period. Actions after this time cannot revive your entitlement to the tax credit.”

Public comments on the draft ruling are invited including the proposed date of effect. The closing date for comments is 22 March 2024.



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ATO Rulings and Activity (Cont.)

Sentencing details for Operation Protego: ATO-led investigation into large-scale GST fraud

The ATO has released sentencing details for Operation Protego, an ATO-led investigation into large-scale GST fraud that was promoted particularly on social media.

The attempted fraud involves an individual:

- inventing a fake business
- lodging a fraudulent Australian business number (ABN) application, and
- submitting fictitious business activity statements (BAS) in an attempt to gain a false GST refund.

Previously in May 2022, the ATO issued warnings to the community to be on the lookout for fraud schemes being promoted through social media and other channels and advised those who were involved to come forward. The most serious offenders of financial crime are referred to the ATO-led Serious Financial Crime Taskforce (SFCT), including individuals involved in Operation Protego. The SFCT is taking firm action against individuals, facilitators and promoters suspected of defrauding the community by inventing fake businesses to claim false GST refunds.

For further information, please refer to the [ATO website](#).

ATO raids on businesses uncover illegal sales suppression technology

The ATO has conducted a number of raids as part of its continued focus on businesses suspected of using, manufacturing or supplying electronic sales suppression tools (ESSTs) to avoid paying tax.

ESSTs or software attached to a point-of-sale system are designed to alter transaction records for the purpose of understating income. It has been illegal to manufacture, supply, possess, use or promote ESSTs in Australia since October 2018.

Over the last 2 weeks, ATO officers led raids on 17 premises associated with 3 businesses suspected of supplying or manufacturing ESSTs and 8 businesses suspected of using ESSTs in Sydney, NSW.

They uncovered evidence of distribution and use of illegal ESSTs, as well as a significant amount of electronic and business records. The raids were assisted by the NSW Police who seized, as proceeds of crime, cash from two properties totalling \$269,800 which were allegedly proceeds from money laundering.

The ATO has issued assessments for more than \$23 million in relation to the raids, and recovery action has already commenced.

For further information, please refer to the [ATO website](#).

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ATO Rulings and Activity (Cont.)

Class rulings issued:

- Class Ruling [CR 2024/7](#) Tamboran Resources Limited – scrip for scrip roll-over. This ruling applies from 1 July 2023 to 30 June 2024.
- Class Ruling [CR 2024/8](#) Danakali Ltd – return of capital and special dividend. This ruling applies from 1 July 2023 to 30 June 2024.
- Class Ruling [CR 2024/9](#) InvoCare Limited – employee share scheme – shares disposed of under a scheme of arrangement. This ruling applies from 1 July 2023 to 30 June 2024.
- Class Ruling [CR 2024/10](#) InvoCare Limited – scheme of arrangement and special dividend. This ruling applies from 1 July 2023 to 30 June 2024.
- Class Ruling [CR 2024/11](#) Incitec Pivot Limited – reduction of share capital. This ruling applies from 1 July 2023 to 30 June 2024.
- Class Ruling [CR 2024/12](#) A2B Australia Limited – special dividend. This ruling applies from 1 July 2023 to 30 June 2024.
- Class Ruling [CR 2024/13](#) Parks Victoria - Early Retirement Scheme 2024. This Ruling applies from 29 February 2024 until 30 June 2024.
- Class Ruling [CR 2024/14](#) Victorian Rail Track – early retirement scheme 2024. This ruling applies from 7 March 2024 to 30 June 2024.
- Class Ruling [CR 2024/15](#) Centro Electric Group Ltd – exchange of shares for Cenntro Inc. shares. This ruling applies from 1 July 2023 to 30 June 2024.
- Class Ruling [CR 2024/16](#) KeyInvest Limited – KeyInvest Limited Capital Notes. This ruling applies from 1 July 2022 to 30 June 2028.

Other rulings issued:

- Product Ruling [PR 2024/1](#) FTC Automator platform – used by clients of KPMG and Geotab Australia to calculate fuel tax credits. The ruling applies to taxable fuel acquired on or after 1 July 2023 by the class of entities defined in the ruling that accesses fuel tax credit results from the FTC Automator from 1 July 2023 until 31 December 2024, being its period of application.
- **Addendum** to Product Ruling [PR 2021/3](#) - taxation consequences of changing the portfolio structure, contributing to and partially redeeming an investment in a unit in the Perpetual WealthFocus Investment Advantage Fund. The addendum is necessary to incorporate new scheme documents. This Product Ruling applies prospectively from 1 July 2021
- **Addendum** to GST Ruling [GSTR 2002/5](#) - when a supply of a going concern is GST-free. The addendum updates a legislative reference and corrects typographical errors.

Monthly Tax Update

Latest Australian Tax Cases

- **Tax residence** - A taxpayer who worked in Dubai for 5 years while on an international posting has been held to be an Australian resident according to both the ordinary concepts test and the domicile test. Among other factors (such as maintenance of multiple vehicle registrations and private health insurance in Australia and lack of social connections in Dubai), the AAT noted the taxpayer's wife had not relocated to Dubai as claimed but rather continued to reside in the family home in Perth, where the taxpayer stayed on return visits. [Quy v FC of T 2024 ATC; [2024] ATC 245, 26 February 2024]
- **Input tax credit** - The AAT has held that Div 165 of the A New Tax System (Goods and Services Tax) Act 1999 did not apply to deny a gold refiner's entitlement to input tax credits in relation to acquisitions of scrap gold. [CPG Group Pty Ltd v FC of T 2024 ATC; [2024] AATA 199, 5 January 2024]
- The Full Federal Court has rejected a taxpayer's argument that s 294-140 of ITAA 1997 should be construed as excluding defined benefit lifetime pensions that are subject to commutation restrictions from the calculation of excess transfer balance, and in the process dismissed the taxpayer's appeal from the AAT decision reported previously at Stern v FC of T, Administrative Appeals Tribunal of Australia, 2023 ATC 4 July 2023. [Stern v FC of T 2024 ATC; [2024] FCAFC 21, 1 March 2024.]
- A taxpayer has been refused leave to appeal to the Supreme Court in relation to a decision that upheld land tax assessments for the 2019 and 2020 years on the basis that the taxed land was zoned as "high density residential". [Ferella (as executor) v Chief Commissioner of State Revenue (NSW) 2024 ATC; [2024] NSWSC 166, 28 February 2024.]
- The Federal Court has held that, following the restructure of a stapled group of which the taxpayer was the head company, the taxpayer had made a valid rollover election under Div 615 of ITAA 1997 and therefore was not entitled to an uplift in the cost bases of the assets held by one of the group members. [AusNet Services Ltd v FC of T 2024 ATC; [2024] FCA 90, 16 February 2024]

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