

Monthly Tax Update

June 2026

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

The Bill for accessing perpetrators' superannuation now Law

The **Treasury Laws Amendment (The Survivors Law) Bill 2026** received Royal Assent on 20 May 2026 (Act No. 47 of 2026), commencing immediately on 21 May 2026. Partially implementing a 2023–24 MYEFO measure, it allows victims and survivors of specified child abuse offenses to access a convicted perpetrator's superannuation to satisfy court-ordered compensation that has remained unpaid for 12 months or more.

Key Details:

- **The Process:** Eligible applicants must first apply to the Tax Commissioner for the perpetrator's superannuation information, then seek a court-ordered "perpetrator contributions release order." The ATO will enforce this via a new release authority mechanism under Schedule 1 of the *TAA 1953*.
- **Tax Treatment:** Released amounts are completely tax-free for both parties. The payout is classified as a superannuation benefit for the perpetrator under ss 307-5 and 307-15, and legally treated as non-assessable, non-exempt (NANE) income for the recipient under s 303-15 of the *ITAA 1997*.
- **Asset Priorities:** The legislation includes specific priority rules to manage conflicting legal claims involving bankruptcy, family law, proceeds of crime, or corruption offenses.

CGT and negative gearing tax reform Bill passes House

The **Treasury Laws Amendment (Tax Reform No 1) Bill 2026** (Tax Reform No 1 Bill) containing the government's key tax reform measures announced in the recent Budget have been introduced into parliament on 28 May 2026 and passed by the Australian House of Representatives on 4 June 2026. The Bill was previously referred to the Senate Economics Legislation Committee for inquiry, with a report due by June 22, 2026.

The proposed legislation features four primary pillars:

- **CGT Overhaul (Sch 1):** Effective July 1, 2027, the 50% CGT discount will be replaced with cost base indexation alongside a new 30% minimum tax on capital gains. For the first time, gains accruing on pre-CGT assets after this date will be taxed, though exemptions remain for income support recipients and certain new residential or affordable housing builds.
- **Negative Gearing Restrictions (Sch 2):** From July 1, 2027, net rental losses from residential properties purchased after 7:30 PM AEST on May 12, 2026, can no longer offset salary or business income. Instead, they will be quarantined to offset only residential property income or capital gains. "New builds" and widely held trusts are exempt.
- **Working Australians Tax Offset (Sch 3):** A non-refundable tax offset of up to \$250 per year will be introduced for residents earning labor income above the tax-free threshold, starting in the 2027–28 income year.
- **\$1,000 Standard Work Deduction (Sch 4):** Beginning in the 2026–27 income year, residents with labor income can claim a hassle-free \$1,000 standard deduction for work-related expenses without needing to itemize or substantiate claims. Taxpayers with higher genuine expenses can still choose to itemize instead.

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Legislation Updates (Cont.)

Updates to Minimum Superannuation Calculations for Payday Super

The [Superannuation \(Productivity Benefit\) \(Continuing Contributions\) Amendment \(Payday Superannuation\) Declaration 2026](#) has been introduced to align employer contribution calculations with upcoming Payday Super reforms commencing 1 July 2026.

Key changes under the new framework include:

- **Annualized Contribution Base:** The maximum contribution base transitions from a quarterly figure to an annual cap, limiting actual contributions rather than Ordinary Time Earnings (OTE).
- **New Assessment Metric:** Compliance obligations will be assessed against an employee's "qualifying earnings" on a "QE day" instead of quarterly OTE.
- **Fixed Rate:** The charge percentage will be permanently set at 12%.

Despite these structural shifts, the declaration preserves the minimum weekly contribution of \$13.53 for employees earning \$112.75 or less per week, maintaining the higher baseline established under the original 2013 declaration.

Business Registries Stabilisation Bill Passes House of Representatives

The [Treasury Laws Amendment \(Business Registries Stabilisation and Uplift\) Bill 2026](#) has successfully passed the House of Representatives and is currently under review by the Senate Economics Legislation Committee, with a report due by 17 June 2026.

The legislation delivers three core regulatory changes:

- **Director ID Enhancements:** Strengthens enforcement and anti-phoenixing protections by directly linking the Director ID regime to ASIC's Companies Register.
- **Registry Support:** Provisions ensuring ASIC can continue to effectively administer existing business registers.
- **MBR Program Scrap:** Formally halts the previous Modernising Business Registers (MBR) program and reverses its associated legislative amendments to stabilize the current registers.

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Other Updates

Treasury Launches Review of Australian Whistleblowing Laws

The Australian Treasury has opened a public consultation to review the effectiveness of current tax and corporate whistleblower protections. This review follows the 2019 reforms, which consolidated corporate protections under the *Corporations Act 2001* and established a parallel tax whistleblowing regime in the *Taxation Administration Act 1953*.

The inquiry will evaluate whether the current framework protects whistleblowers as intended, handles ongoing vulnerabilities, and discourages corporate misconduct. Key focus areas include regime scope, access to justice, regulatory oversight, and alignment with other whistleblowing frameworks.

Interested parties have until 29 July 2026 to lodge submissions.

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

Treasury Outlines Reforms to Australia's Foreign Investment Framework

Treasury has released a [fact sheet](#) detailing the legislative, policy, and practice reforms announced in the 2026 Budget to [further streamline and strengthening the foreign investment framework](#).

Building on the 2024 reforms, the new package includes:

- **Faster Processing:** A new performance target to decide all low-risk applications within 30 days, commencing 1 January 2027.
- **Condition Overhauls:** Updating or removing ineffective conditions on existing approvals.
- **Administrative Streamlining:** Amending primary foreign investment legislation and streamlining the Register of Foreign Ownership of Australian Assets.
- **Residential Restrictions:** Extending the temporary ban on foreign purchases of established dwellings by an additional 2 years and 3 months, locking it in until 30 June 2029.

Treasury will develop exposure draft legislation for public consultation ahead of finalization.

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OECD Updates

OECD published working paper on the impact of population ageing on tax revenues

A recent OECD working paper investigates the understudied relationship between population ageing and tax revenues. By analyzing the distribution of tax bases across different age demographics, the paper assesses how structural shifts impact public finances and highlights how existing tax designs can compound these revenue pressures.

Specifically, the study projects declines in labor income tax revenues alongside shifting reliance toward consumption, capital, and wealth taxes. Furthermore, by simulating tax-to-GDP ratios from 1950 to 2060 under a "no-policy-change" scenario, the paper isolates the direct mechanical impact of demographic trends. The findings underscore that a country's financial vulnerability to an ageing population is dictated by both its demographic trajectory and its tax system design, concluding with strategic policy considerations for the future.

For further details, please refer to the [OECD website](#).

OECD Releases Consolidated Commentary on GloBE Model Rules

The OECD has published the Consolidated Commentary to the Global Anti-Base Erosion (GloBE) Model Rules, a core component of the Pillar Two initiative. Designed to address the tax challenges of a digitalized economy, Pillar Two establishes a 15% global minimum corporate tax rate for large multinational enterprise (MNE) groups via a coordinated top-up tax system.

This newly consolidated version integrates all Agreed Administrative Guidance issued by the Inclusive Framework between March 2022 and January 2026 into the original March 2022 Commentary. The comprehensive text serves as a single source of truth for tax administrations and taxpayers, ensuring a consistent interpretation and coordinated application of the GloBE Rules globally.

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

OECD Announces Compliance Relief for Global Minimum Tax (GMT) Reporting

The OECD has established a **common understanding** among jurisdictions implementing the Global Minimum Tax (GMT) from 2024 to preserve the administrative benefits of the central filing mechanism for the GloBE Information Return (GIR). This measure addresses potential delays in the launch of fully operational filing portals or exchange frameworks.

Key Agreements:

- **Portal Registry:** Implementing jurisdictions will publish a list of countries expected to have fully operational GIR filing portals by 31 May 2026.
- **Penalty Waivers:** Jurisdictions will utilize domestic law mechanisms to waive penalties or suspend local GIR filing enforcement, provided the GIR has been centrally filed in one of the approved registry jurisdictions before the relevant exchange deadline.

Additionally, on 18 May 2026, the OECD/G20 Inclusive Framework released further **administrative guidance on the application of the existing Transitional Undertaxed Profits Rule (UTPR) safe harbour** and has updated the **Central Record for Purposes of the Global Minimum Tax**.

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

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ATO Rulings and Activity

ATO Draft Guidance: Extended Timeframes for Out-of-Cycle Payday Super

The ATO has released a draft legislative instrument ([LI 2026/D3](#)) establishing a compliance relief mechanism under the Payday Super framework. It addresses specific out-of-cycle payments that would otherwise trigger an administrative burden under the standard 7-business-day superannuation guarantee (SG) payment rule.

Key Provisions:

- Eligible Payment Types: Allowances, bonuses, commissions, loadings, advance payments, and back payments qualify if they are paid outside the employer's established, routine payroll schedule.
- The Extended Timeline: Rather than requiring an ad-hoc super contribution within 7 business days of the off-cycle payment, employers are granted additional time. The extended deadline matches 7 business days after the next regular, on-cycle payday.
- Termination Payout Exclusion: Termination payments made on an employee's final day cannot utilize this extension. Because the employment relationship has ceased, there is no subsequent regular pay cycle ("QE day") for that specific individual. Consequently, standard Payday Super rules apply, requiring SG contributions within 7 business days of the termination payment.

Public consultation on the draft closed on 22 May 2026.

ATO Draft Update: Third-Party Reporting Exemptions for Government Entities

The ATO has released a draft legislative determination ([LI 2026/D10](#)) that continues third-party reporting exemptions for specific transactions undertaken by government-related entities (including federal, state, and territory departments, agencies, and statutory bodies).

Under the draft instrument, these entities remain exempt from including certain classes of transactions in the third-party reports otherwise mandated by table items 1 or 2 of section 396-55 in Schedule 1 to the *Taxation Administration Act 1953*. Once finalized, [LI 2026/D10](#) will repeal and replace the *2016 Determination* before its scheduled sunset date on 1 October 2026. The new instrument maintains the exact same substantive effect as the 2016 framework.

Public consultation closes on 12 June 2026.

ATO Releases Draft WET Determination for New Zealand Producer Rebates

The ATO has issued a draft legislative determination ([LI 2026/D11](#)) outlining foreign currency conversion methods for eligible New Zealand wine producers calculating the Wine Equalisation Tax (WET) producer rebate.

Replacing the [Wine Equalisation Tax New Zealand Producer Rebate Foreign Exchange Conversion Determination \(No 57\) 2016](#) (2016 determination) before its sunset date of 1 October 2026, the new instrument streamlines the process by reducing the acceptable conversion methods from three down to two: the Reserve Bank of Australia (RBA) rate method and the average yearly Reserve Bank of New Zealand (RBNZ) rate method. The previously allowed "agreed rate" method has been removed due to lack of industry use.

Public consultation on the draft closes on 19 June 2026.

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ATO Rulings and Activity (Cont.)

ATO Proposes 91c Per Kilometre Car Expense Rate for 2026–27

The ATO has released a draft legislative instrument ([LI 2026/D12](#)) proposing to increase the cents per kilometre rate for work-related car expense deductions to 91 cents per kilometre for the 2026–27 income year.

Calculated under section 28-25(4) of the *ITAA 1997*, the new rate builds upon a revised base rate of 89 cents, adjusted for CPI movements. Notably, it incorporates a one-off 2% uplift to account for global fuel price volatility during the March 2026 quarter. If finalized, the instrument will commence on 1 July 2026, repealing the previous 88-cent rate under [Income Tax Assessment \(Cents per Kilometre Deduction Rate for Car Expenses\) Determination 2024](#) (F2024L00697) that applied across the 2024–25 and 2025–26 financial years.

Public comments on the draft close on 12 June 2026.

ATO Draft Update: PAYG Withholding Changes for Laundry and Transport Allowances

The ATO has released a draft legislative instrument ([LI 2026/D14](#)) amending the [Taxation Administration \(Withholding Variation for Payment of Certain Allowances\) Legislative Instrument 2025](#) (2025 Instrument). The updates align withholding rules with upcoming changes in the Treasury Laws Amendment (Tax Reform No 1) Bill 2026, which replaces standard itemized substantiations with a flat standard deduction starting 1 July 2026.

Key amendments include:

- **Laundry Expense Allowances:** Because the Bill repeals Section 900-40 of the *ITAA 1997*, the ATO is explicitly writing a standalone definition of laundry expenses into the instrument and locking in a \$150 threshold. This preserves the current "nil" withholding variation for these allowances.
- **Award Transport Payments:** The variation to nil for award transport payments will be repealed. Because the Bill removes the distinct tax treatment for these 40-year-old industrial awards, employers will now be required to withhold tax from these payments as standard.

Public comments on this draft instrument close on 12 June 2026.

ATO Releases Draft Guidance on Payday Super "Exceptional Circumstances" Extensions

The ATO has issued a draft practice statement ([PS LA 2026/D3](#)) outlining how the Commissioner will exercise the power under section 18C(4) of the Superannuation Guarantee Administration Act 1992 to grant broad-scale deadline extensions for Payday Super obligations during "exceptional circumstances."

Key Framework Details:

- **Class-Based Relief Only:** Determinations apply strictly to defined classes of employers (e.g., specific regions, systems, or industries) rather than individual business applications.
- **Prescribed Triggers:** Limited exclusively to major natural disasters or widespread, unplanned communications technology outages (e.g., infrastructure damage or significant cybersecurity incidents).
- **Extended Deadlines:** Eligible employers receive 20 business days to make contributions, calculated either from the original Qualifying Earnings (QE) day or from the day after the determination is made.
- **Strict Operational Nexus:** Short-term outages (such as a 24-hour payroll system crash), general cash-flow/financial capacity issues, or routine business disruptions do not qualify. There must be a direct causal link preventing the transmission and settlement of contributions. The ATO is welcoming public comments on the draft until 26 June 2026.

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ATO Rulings and Activity (Cont.)

ATO Finalises Rental Property and Holiday Home Guidance (TR 2026/1)

The ATO has issued a final package of guidance— [TR 2026/1](#), [PCG 2026/2](#), and [PCG 2026/3](#)—targeting individuals who earn income from long-term tenancies or the short-term market (e.g., holiday homes and online booking platforms), excluding those carrying on a rental business.

Key Framework Components:

- Taxation Ruling [TR 2026/1](#): Outlines assessable income and deductible outgoings. Crucially, it replaces *IT 2167* and reinforces that holiday homes are considered "leisure facilities" under section 26-50 of the *ITAA 1997*, meaning holding costs are denied unless a strict exception applies. A transitional safe harbor protects pre-1 July 2026 expenses from section 26-50 audits.
- Practical Compliance Guideline [PCG 2026/2](#): Establishes the safe-harbor methodologies the ATO accepts as "fair and reasonable" for apportioning expenses when a property has mixed private and income-producing use.
- Practical Compliance Guideline [PCG 2026/3](#): Addresses the compliance risk of holiday homes under the section 26-50 integrity rules. It introduces a traffic-light risk rating system (Green, Amber, and Red zones) to outline how closely the ATO will scrutinize individual arrangements.

ATO Updates Penalty Guidance to Account for Taxpayer Vulnerability

The ATO has updated its internal Law Administration Practice Statements (PS LA) regarding shortfall, false/misleading statement, and late lodgment penalties. Under the revised guidelines, officers must explicitly consider individual vulnerabilities, such as family violence, financial coercion, homelessness, or serious mental health challenges, when evaluating if a taxpayer exercised "reasonable care" or qualifies for a penalty remission.

The affected practice statements include:

- [PS LA 2012/4](#) & [PS LA 2012/5](#): Administration of the false or misleading statement penalty (with or without a shortfall).
- [PS LA 2011/19](#): Administration of the penalty for failure to lodge on time.
- [PS LA 2011/15](#): Lodgment obligations, due dates, and deferrals.

ATO Dissolves Diverted Profits Tax Specialist Team

The ATO will dismantle its dedicated Diverted Profits Tax (DPT) specialist unit at the conclusion of the 2026 financial year, citing that standard internal compliance teams are now sufficiently experienced with the tax and its interplay with Part IVA anti-avoidance provisions.

To reflect this transition, the ATO has updated Practice Statement [PS LA 2017/2](#) and Practical Compliance Guideline [PCG 2018/5](#). Notably, the revisions to PS LA 2017/2 streamline internal administrative workflows, removing the previous requirement for ATO teams to provide taxpayers with a position paper prior to issuing a DPT assessment.

ATO Refines Guidance on Departure Prohibition Orders (DPOs)

The ATO has updated Law Administration Practice Statement [PS LA 2011/18](#), which governs enforcement measures for the collection and recovery of tax liabilities.

Specifically, Appendix D has been revised to provide more granular detail on the factors considered when issuing a DPO to prevent a taxpayer from leaving the country. The appendix has also been structurally reorganized to mirror the standard

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ATO Rulings and Activity (Cont.)

ATO Refines Guidance on Departure Prohibition Orders (DPOs) (Cont.)

progression of DPO administration: initial issuance, the granting of a Departure Authorisation Certificate, and the eventual variation or revocation of the order. Additionally, the instrument has undergone minor stylistic updates, including renaming Annexures A–G to Appendixes A–G.

ATO Decision Impact Statement on *Geocon No 5* GST Case

The ATO has released a [Decision Impact Statement](#) following the Full Federal Court's ruling in *Geocon Land Holdings No 5 Pty Ltd v FC of T* [2025] FCAFC 172. The case focuses on whether a property developer passed on excess GST to residential unit buyers, which dictates their eligibility for a refund under Division 142 of the GST Act to avoid a "windfall gain."

The Full Court overturned a previous Tribunal (ART) decision, ruling that the ART incorrectly presumed GST was passed on simply because the developer was profitable overall. The High Court subsequently denied the Commissioner leave to appeal, and the matter has been remitted to the ART for rehearing.

Key Outcomes:

- No Profitability Presumptions: The ATO accepts that "passing on" is a strict question of fact to be decided case-by-case, not by general economic or profit assumptions.
- Objection Opportunities: Taxpayers facing similar adverse "passing on" decisions can lodge Part IVC objections (subject to time limits), which the ATO will assess on their merits under the new precedent.
- Guidance Review: The ATO is currently reviewing the impact of this decision on its existing ruling, [GSTR 2015/1](#).

ATO Issues Decision Impact Statement on *Baya Casal* Genuine Redundancy Case

The ATO has published a [Decision Impact Statement](#) following the Full Federal Court's ruling in *FC of T v Baya Casal* [2026] FCAFC 11. The Court rejected the Commissioner's position, determining that a termination payment made to an early learning center assistant qualified as a tax-free genuine redundancy under section 83-175 of the *ITAA 1997*.

The taxpayer had declined redeployment options that offered fewer weekly hours and less pay. While the Commissioner argued that a redundancy cannot exist if similar duties remain available (even with reduced hours), the Full Court clarified that redundancy requires an evaluative, holistic factual analysis.

Key Takeaways:

- Hours and Pay Reductions Matter: The ATO accepts that a material reduction in hours and remuneration is a highly relevant factor when determining if a position is genuinely redundant.
- No Mathematical Bright Lines: The ATO cautions that the ruling does not create a strict rule (e.g., that any 20% to 40% reduction automatically equals a redundancy). Each case remains a matter of fact and degree based on specific circumstances.

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ATO Rulings and Activity (Cont.)

ATO Withdraws Outdated Rebate Rulings

Effective 28 May 2026, the ATO has formally withdrawn three historical rulings that are no longer applicable under current legislation:

- **TR 93/31** (Income tax: transfer of pensioner rebate between partners): Up-to-date guidance on this topic can now be found via the **Senior and Pensioners tax offset** (SAPTO) resources on the ATO website.
- **IT 253** (Sole parent rebate in circumstances of mental or physical incapacity or imprisonment).
- **IT 254** (Sole parent rebate for part of year that a divorced or separated parent has access to child).

Class Rulings Issued:

- Class Ruling **CR 2026/19** Apromore Holding Pty Ltd – employee share scheme – minimum holding period. This ruling applies from 1 July 2022 to 30 June 2025.
- Class Ruling **CR 2026/20** Leo Lithium Limited – return of capital and special dividend. This ruling applies from 1 July 2025 to 30 June 2026.
- Class Ruling **CR 2026/21** AdvanCell Pty Limited – exchange of shares for shares in AdvanCell, Inc. This ruling applies from 1 July 2025 to 30 June 2026.
- Class Ruling **CR 2026/22** Diversified United Investment Limited – scrip for scrip roll-over. This ruling applies from 1 July 2025 to 30 June 2026.
- Class Ruling **CR 2026/23** Latitude Group Holdings Limited – Latitude Capital Notes 2. This ruling applies from 1 July 2025 to 30 June 2031.
- Class Ruling **CR 2026/24** Triangle Energy (Global) Limited – in specie distribution of shares in Tetragon Energy Pty Ltd. This ruling applies from 1 July 2025 to 30 June 2026.
- Class Ruling **CR 2026/25** MyVenue Pty Ltd – employee share scheme – minimum holding period. This ruling applies from 1 July 2022 to 30 June 2025.
- Class Ruling **CR 2026/26** Robex Resources Inc. – employee share scheme – treatment of awards under the plan of arrangement. This ruling applies from 1 July 2025 to 30 June 2026.
- Class Ruling **CR 2026/27** Robex Resources Inc. – scrip for scrip roll-over. This ruling applies from 1 July 2025 to 30 June 2026.
- Class Ruling **CR 2026/28** Cushman & Wakefield plc – replacement of employee share scheme interests. This ruling applies from 1 July 2025 to 30 June 2026.
- Class Ruling **CR 2026/29** Cushman & Wakefield plc – scrip for scrip roll-over for shareholders. This ruling applies from 1 July 2025 to 30 June 2026.
- Class Ruling **CR 2026/30** FireFly Metals Ltd – reduction of share capital. This ruling applies from 1 July 2025 to 30 June 2026.
- Class Ruling **CR 2026/31** Suncorp Group Limited – Suncorp Wholesale Capital Notes 1. This ruling applies from 1 July 2025 to 30 June 2035.

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ATO Rulings and Activity (Cont.)

Other Rulings Issued:

- Product Ruling [PR 2026/3](#) Variable Universal Life Assurance Policy – Advantage International Life Bermuda Limited and Advantage Life Assurance I.I. This ruling applies from 1 July 2025 to entities specified in paragraph 4 of this ruling.
- Product Ruling [PR 2026/4](#) Elders Rural Services Australia Limited – Rural Products Prepayment Program. This ruling applies from 1 July 2026 to a customer specified in paragraph 4 of this ruling that enters into the scheme from 1 July 2026 until 30 June 2029.
- Product Ruling [PR 2026/5](#) Zurich Life Insurance (Hong Kong) Limited – Swiss Fortune Universal Life Plan and Swiss Fortune (Premier) Universal Life Insurance Plan. This ruling applies from 1 June 2025 to entities as specified in the ruling.

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Latest Australian Tax Cases

Eltamimy v FC of T 2026 ATC; [2026] ARTA 929, 28 May 2026.

The Administrative Review Tribunal affirmed the reduction of the taxpayer's claimed rental and motor vehicle expenses. However, it downgraded the associated penalty, ruling that the underpayment resulted from a lack of reasonable care rather than intentional recklessness.

Balmain Dental Clinic Pty Ltd ATF Dentist & Co Trust v FC of T 2026 ATC; [2026] ARTA 895, 22 May 2026.

The Administrative Appeals Tribunal (ART) has affirmed a decision to hit a dental clinic with roughly \$70,000 in superannuation guarantee charges. The penalty follows an audit revealing that a dental practitioner had worked at the clinic for more than six years without being paid any superannuation.

FC of T v Cheung 2026 ATC; [2026] FCAFC 75, 28 May 2026

The Full Federal Court has allowed the Commissioner's appeal against a previous decision ([2024] FCA 1370), which had classified nearly \$33 million in regular payments from a Vanuatu business to an Australian resident as tax-free gifts from his sister.

In overturning the judgment, the Full Court ruled that the lower court's fact-finding process had failed, justifying appellate intervention. It labeled the original conclusions regarding the taxpayer's business involvement and the nature of the funds as "glaringly improbable" based on the evidence. Ultimately, the Full Court determined that the regular payments received over a 10-year period should have been assessed as ordinary income.

FC of T v Perez (No 2) [2026] FCA 658, 28 May 2026.

The Federal Court has ruled that a taxpayer, Mr. Perez (operating as "Grow Fast Consulting"), engaged in conduct that made him the promoter of 12 "tax exploitation schemes" involving eight different clients. Each scheme relied on claiming fictitious or notional deductions for research and development (R&D) expenditure.

The Commissioner of Taxation sought declarations of these breaches alongside civil penalties under Schedule 1 of the Taxation Administration Act 1953. The Court ultimately held that Mr. Perez contravened section 290-50(1) for each scheme, reserving the determination of financial penalties for a separate, upcoming hearing.

Ward v FC of T 2026 ATC; [2026] ARTA 872, 22 May 2026.

The Administrative Review Tribunal (ART) has affirmed that an Australian citizen who relocated to the US in 2009 and subsequently moved to the Netherlands in 2021 was not an Australian resident for income tax purposes. Consequently, she was ineligible for the main residence exemption on a capital gain triggered by the 2023 sale of her property in St Ives, New South Wales.

Cameron & Ors v FC of T 2026 ATC; [2026] FCA 609, 19 May 2026

The Federal Court has upheld notices of assessment and family trust distribution tax (FTDT) notices issued against a family trust. The court confirmed that the trust failed to demonstrate the required nexus between its claimed interest payments and the production of assessable income.

Additionally, the court ruled that a family trust election (FTE) made more than 25 years ago remained legally valid, despite the trust's subsequent attempts to disavow it, thereby confirming the basis for the contested FTDT assessments.

Frizelle v FC of T 2026 ATC, [2026] ARTA 752, 8 May 2026.

The Administrative Review Tribunal (ART) has upheld assessments against a taxpayer regarding distributions received from foreign trusts. The Tribunal dismissed the taxpayer's arguments that she was unaware of her beneficiary status and that the funds were merely "gifts and loans" from her mother, deeming these assertions legally irrelevant to the statutory provisions in question. Furthermore, the ART rejected the taxpayer's characterization of the distributions as non-assessable trust capital.

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