Monthly Tax Update

August 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

Hydrogen production tax offset: grid-matching requirements finalised

A legislative instrument has been made setting out the grid-matching requirements for companies seeking to access the refundable tax offset under the Hydrogen Production Tax Incentive (HPTI).

The HPTI applies from 1 July 2027 to before 1 July 2040 and provides an offset of $2 per kilogram of eligible hydrogen, subject to meeting the relevant eligibility requirements.

Under the Income Tax Assessment (Hydrogen Production Tax Incentive—Grid Matching Requirements) Instrument 2026 (F2026L01000), hydrogen producers using retired Renewable Electricity Guarantee of Origin certificates or surrendered large-scale generation certificates will satisfy the grid-matching requirement where the hydrogen production facility and the renewable electricity facility specified in the certificate are connected to the same electricity grid.

The requirement is intended to ensure that hydrogen production does not create additional demand for non-renewable electricity elsewhere on the grid.

The instrument follows consultation on an earlier draft, with Treasury noting that submissions generally supported the proposed approach.

The instrument commenced on 29 July 2026.

Senate committee recommends passage of social security technical changes bill

The Senate Community Affairs Legislation Committee has recommended that the Social Security and Other Legislation Amendment (Technical Changes No 2) Bill 2026 (the Bill) be passed.

The Bill proposes a range of technical and administrative changes to social security, family assistance and child support arrangements, including measures to support automated decision-making, clarify the use of ATO income information, expand review rights for certain Family Tax Benefit debt offset decisions, and improve administrative processes.

The committee noted broad support for the proposed measures but identified concerns relating to the use of pre-issue income data, the offsetting of Family Tax Benefit debts against tax refunds and top-up payments, and safeguards for automated decision-making and review processes.

Despite these concerns, the committee considered that the Bill would provide greater legislative certainty and improve the effectiveness and consistency of existing arrangements. It also encouraged stakeholder consultation on any future regulations.

The committee's only recommendation was that the Bill be passed.

For further information, please refer here.

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Legislation Update (Cont.)

Business registries stabilisation and uplift regulations made

Regulations have been made to support recent reforms to business registries and the Director ID regime.

The Treasury Laws Amendment (Business Registries Stabilisation and Uplift) Regulations 2026 support measures designed to strengthen Director ID requirements and enforcement, including by linking Director IDs with the ASIC Companies Register to improve protections against fraud and illegal phoenix activity.

The regulations also enable ASIC to obtain and publish Director ID and relevant address information through its registers, clarify the publication of officers' personal details, and make related changes to delegation arrangements.

The reforms are intended to improve the traceability of company directors, reduce fraud and illegal phoenix activity, and support business due diligence. The regulations commence in stages from 11 July 2026, subject to the commencement of the relevant provisions of the Act.

Third party reporting exemptions for government related entities

A new instrument exempts government related entities, including Federal and State/Territory departments, agencies and statutory bodies, from reporting certain financial transactions to the Commissioner under the third party reporting regime.

The Taxation Administration (Third Party Reporting Exemptions for Certain Transactions by Government Related Entities) Determination 2026 exempts transactions including:

- Certain electronic payments for grants and supplies.
- Payments for telecommunications, utilities and employee transport.
- Insurance, commercial accommodation and hotel accommodation.
- Leases of goods and certain licensing arrangements.
- Financial supplies, such as shares, loans and insurance.
- Professional association membership fees.
- Payments relating to court and tribunal functions.
- Supplies and grants made to other government related entities.

The exemptions are intended to reduce administrative burdens by removing reporting requirements for transactions that present a low compliance risk or are difficult to identify as being within scope. Government related entities may still choose to report an exempt transaction where doing so is administratively easier.

The instrument commenced on 31 July 2026 and replaces the Classes of Transactions for which Government Related Entities are Exempt from Providing Third Party Reports Determination 2016.

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Other Legislation Update

Fuel tax determination on fuel blends finalised

The ATO has finalised its determination on the treatment of fuel blends for fuel tax purposes.

Fuel Tax (Fuel Blends) Determination 2026 specifies the circumstances where blends of taxable fuel and other products are not treated as fuel under the fuel tax law. For qualifying blends, producers may be able to claim fuel tax credits for taxable fuel used in production, while excise duty will not apply.

The determination largely maintains the existing rules but introduces a new requirement for biodiesel blends containing surfactants or oleic acid. Where these blends also contain another fuel, they will be treated as fuel for fuel tax purposes, ensuring fuel tax applies and reducing the risk of the blends being repurposed as fuel.

The determination replaces the 2016 determination, which was due to sunset on 1 October 2026, and commenced on 17 July 2026. No changes were made following consultation.

OECD Updates

OECD reports further progress on preferential tax regimes

The OECD has released its latest peer review results on the implementation of BEPS Action 5 minimum standard, reporting further progress by jurisdictions in addressing potentially harmful tax practices and improving transparency around preferential tax regimes.

The OECD Forum on Harmful Tax Practices (FHTP) applied its revised peer review methodology in May 2026 and reached new conclusions on 13 regimes. Seven regimes in Azerbaijan, Fiji, Japan and Peru were found to be "not harmful", while six regimes in Azerbaijan, Malaysia, Peru and Serbia remain "under review".

Since the BEPS project began, the FHTP has reviewed 347 preferential tax regimes globally, with almost 40% having been abolished or currently being phased out following the review process.

Action 5 is one of the four BEPS minimum standards, which are subject to peer review to promote consistent and timely implementation across jurisdictions.

OECD releases 2026 Corporate Tax Statistics

The OECD has released the 2026 edition of Corporate Tax Statistics, highlighting trends in corporate tax revenues, rates and the implementation of BEPS measures.

Corporate income tax revenues historically high in the 2023 data. Across 135 jurisdictions, corporate income tax accounted for an average of 17.3% of total tax revenue (down from 17.8%) and 3.5% of GDP (down from 3.6%), but remaining above pre-pandemic levels.

Large multinational enterprises accounted for an average of 44.5% of corporate tax revenues in 2023 across the 60 jurisdictions reporting Country-by-Country Reporting data. Meanwhile, average statutory corporate income tax rates have remained broadly stable at around 21.2% across Inclusive Framework jurisdictions since 2020.

The report also highlights continued implementation of BEPS measures, including:

- 57 jurisdictions had Controlled Foreign Company rules in 2026, up from 49 in 2019.
- 89 Inclusive Framework members had interest limitation rules in place, covering 111 rules.
- 46 of 65 intellectual property regimes reviewed under Action 5 were found not harmful.
- 120 jurisdictions had legislation requiring Country-by-Country Reporting.
- 33 jurisdictions had mandatory disclosure rules consistent with Action 12.

OECD Updates (Cont.)

The OECD noted that the data continues to demonstrate the importance of corporate taxation as a source of public revenue and the ongoing implementation of international tax reforms.

For further information, please refer here.

OECD assesses early MNE responses to global minimum tax

The OECD has released a working paper assessing how multinational enterprise (MNE) groups have responded to the 15% Global Minimum Tax (GMT) under Pillar Two following its introduction in 2024.

The analysis finds that MNEs subject to the GMT experienced higher effective tax rates, with stronger effects among groups potentially more exposed to top-up taxation. It found no significant evidence of reduced investment or employment at the MNE group level.

Based on the estimated impact on effective tax rates, the OECD estimates that the GMT generated EUR 79 billion to EUR 109 billion in additional corporate income tax revenue in its first year, broadly consistent with earlier estimates but below some forecasts.

The OECD cautions that the findings are based on early data and may change as further information becomes available.

For further information, please refer here.

Other Updates

Consultation opens on next tranche of CGT and negative gearing reforms

Treasury has released exposure draft legislation for consultation on the next tranche of the Government's capital gains tax (CGT) and negative gearing reforms. The draft Treasury Laws Amendment (Tax Reform No. 3) Bill 2026 addresses a number of complex issues and seeks feedback on the application of the reforms to a range of taxpayer circumstances and structures.

The draft legislation includes measures to:

- Preserve eligibility for negative gearing and new-build treatment in specified circumstances, including where residential property is acquired from a spouse following an inheritance or relationship breakdown;
- Clarify the application of the CGT reforms to Attribution Managed Investment Trusts, with further consultation proposed on options to reduce compliance costs;
- Exempt capital gains distributed through genuine testamentary trusts, deceased estates and special disability trusts from the minimum tax on capital gains;
- Ensure the CGT reforms apply appropriately to part-year Australian residents; and
- Prevent certain CGT events from inappropriately bringing forward the taxing point for deferred capital gains.

The consultation materials also include a proposed definition of a "new residential dwelling" and specify the types of housing investment exempt from the new negative gearing limits. Under the proposal, a dwelling will generally be regarded as new where it adds to housing supply and is acquired within 24 months after the issue of an occupancy certificate, extending the 12-month period announced in the Budget.

In addition, Treasury has released a draft legislative instrument setting out the proposed methodology for apportioning capital gains and losses for real property and other assets without a readily ascertainable market value.

Submissions on the exposure drafts close on 21 August 2026. The Government has indicated that further tranches of legislation will address matters including CGT rollovers and related concessions, the application of the reforms to foreign, temporary and mixed residents, and tax consolidated groups.

The first tranche of the reforms was enacted through the Treasury Laws Amendment (Tax Reform No. 1) Act 2026.
For further information on the consultation process, please refer here.

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Other Updates (Cont.)

Treasury begins review of foreign investment approval conditions

Treasury has commenced a review of ineffective conditions attached to existing foreign investment approvals, following reforms announced in the 2026–27 Budget.

The review will assess whether conditions remain effective and enforceable in managing national interest and national security risks. It may result in conditions being removed where ineffective or duplicative, or updated to better manage risks. The review will initially focus on tax conditions, with other conditions to be considered following consultation. Public consultation is expected to commence in August 2026.

The review does not change existing approval obligations. Investors must continue to comply with current conditions, and applications to vary existing approvals must continue to be made through the Foreign Investment Portal.

For further information, please refer here.

News Bargaining Incentive changes finalised following consultation

Treasury has finalised changes to the News Bargaining Incentive (NBI) following consultation on the exposure draft legislation.

The NBI is designed to encourage digital platforms to enter commercial agreements with Australian news organisations for the use of news content. Platforms that do not enter into qualifying agreements will be subject to a charge, with revenue distributed to the Australian news media sector to support journalism.

Key changes include:

- Narrowing the charge base to digital advertising revenue attributable to Australia, while increasing the incentive rate from 2.25% to 2.5%
- Removing the exclusion for professional networking sites
- Increasing the distribution scheme loading for regional journalists, small and medium publishers, and media servicing underrepresented communities from 10% to 20%
- Increasing the offset for agreements with small publishers from 170% to 200%
- Increasing the number of qualifying agreements required to fully acquit an NBI liability from 4 to 6
- Recognising eligible agreements made during the retrospective period
- Establishing a grants program for small publishers and start-ups with annual revenue below $150,000, and
- Expanding the definition of journalists to cover additional essential news roles and freelancers producing core news content.

The legislation is expected to be introduced into Parliament in the early part of the spring parliamentary session.

For further information, please refer here.

Tax Ombudsman review highlights bias risks in ATO decision-making

The Tax Ombudsman has released a review of the ATO's controls for managing the risk of bias in decision-making and disclosures, finding that the ATO should do more to identify and manage this risk.

The review, Bias isn't always seen: A review into ATO's control for bias in decision-making and disclosures, examined whether the ATO's controls support unbiased decision-making in high-risk compliance and enforcement activities, promote appropriate and fact-based communications, and operate effectively in practice.

The Ombudsman found that some ATO processes do not adequately prompt staff to consider the risk of bias or maintain an open mind when assessing the facts. It also identified a risk that taxpayers labelled as "bad" or "high risk" may continue to be treated as such, making it difficult to challenge or remove the designation.

Other Updates (Cont.)

The review recommends that the ATO strengthen its bias controls, including through explicit bias checks, training, assurance guidance, data and monitoring, and improvements to disclosure practices.

In its response, the ATO has accepted both recommendations and will undertake an internal review of its existing controls, followed by a phased, risk-based approach to address any identified gaps.

For further information, please refer here.

TPB finalises guidance on responsible AI use by tax practitioners

The Tax Practitioners Board (TPB) has finalised guidance on how tax practitioners' existing obligations under the Code of Professional Conduct apply when using artificial intelligence (AI) in their practice.

The guidance highlights key considerations including competence, reasonable care, confidentiality, record-keeping, professional judgement, and appropriate supervision and control when using AI tools.

Tax practitioners should consider factors such as the nature and purpose of the AI tool, how information is stored and used, the extent to which AI outputs are relied upon, the tool's capabilities and limitations, and processes for reviewing the AI-generated outputs.

The TPB emphasises that AI is a tool to support, not replace, professional judgement. Practitioners remain responsible for the services they provide and must ensure AI-generated outputs are appropriately reviewed and comply with their professional obligations.

For further information, please refer here.

ASIC and APRA publish new Statements of Intent

ASIC and APRA have each published a new Statement of Intent in response to the Government's Statement of Expectations for their respective regulators.

The statements outline how ASIC and APRA will achieve their objectives, fulfil their responsibilities and exercise their regulatory powers in line with the Government's expectations.

The Statements of Intent are to be read alongside the relevant Statements of Expectations and the legislation administered by each regulator.

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ATO Rulings and Activity

ATO finalises rulings on Payday Superannuation reforms

The ATO has finalised three Law Companion Rulings (LCRs) providing guidance on the Payday Superannuation reforms that commenced on 1 July 2026. The rulings are intended to assist employers, digital service providers, superannuation funds and other stakeholders by clarifying key aspects of the new regime.

LCR 2026/1 – Transitional arrangements:

LCR 2026/1 outlines the application of the Payday Super reforms and the transitional rules supporting the move from the quarterly superannuation guarantee (SG) system. It addresses matters including the treatment of excess contributions made before 1 July 2026, the cessation of the late payment offset, contributions made between 1 and 28 July 2026, the reversal of pre-commencement salary sacrifice contributions, choice of fund compliance, repayments of SG shortfall overpayments, and Norfolk Island salary or wages. The ruling finalises draft LCR 2026/D4.

LCR 2026/2 – Eligible contributions:

LCR 2026/2 explains what constitutes an "eligible contribution" for the purposes of reducing or avoiding SG charge liability. It sets out the requirements for actual contributions, payments made to the legal personal representative of a deceased employee, and notional contributions for defined benefit members. The ruling also clarifies when contributions are regarded as "on time" or "late". It finalises draft LCR 2026/D2.

LCR 2026/3 – Calculation and assessment of SG charge:

LCR 2026/3 provides guidance on the calculation and assessment of the SG charge under the Payday Super reforms. It explains that an employer's SG charge liability is determined by its SG shortfall for a qualifying earnings (QE) day, comprising the employee SG shortfalls, notional earnings components, administrative uplift amount and any choice loadings. The ruling also confirms that the Commissioner may issue an SG charge assessment at any time, either following a voluntary disclosure by the employer or on the Commissioner's own initiative. The SG charge becomes payable when notice of the assessment is served. The ruling finalises draft LCR 2026/D3.

All three rulings apply from 1 July 2026, the commencement date of the Payday Superannuation reforms.

Draft PAYG variation instrument for foreign resident CGT withholding released

The ATO has released a draft legislative instrument consolidating and replacing five existing instruments dealing with variations to amounts payable under the foreign resident capital gains withholding (FRCGW) regime.

Draft Taxation Administration (PAYG Withholding Variation for Foreign Resident Capital Gains Withholding Payments) Legislative Instrument 2026 sets out when variations may apply to acquisitions involving:

- Multiple vendors.
- Deceased estates.
- Marriage or relationship breakdowns.
- Specified income tax-exempt entities.
- Mortgagee sales where there is no residue after the mortgagee exercises its power of sale.

The draft instrument generally maintains the effect of the existing instruments, but proposes changes to the evidentiary requirements for acquisitions from income tax-exempt entities.

The consolidation is intended to make it easier for taxpayers to identify whether a FRCGW variation applies to a particular transaction.

Comments on the draft instrument are due by 14 August 2026.

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ATO Rulings and Activity (Cont.)

Updates to foreign resident capital gains tax withholding rulings

The ATO has issued addenda to three rulings to reflect amendments to the foreign resident capital gains withholding (FRCGW) regime made by the Treasury Laws Amendment (2024 Tax and Other Measures No. 1) Act 2024.

The amendments:

- Increased the FRCGW rate from 12.5% to 15%, effective from 1 January 2025, and
- Removed the previous $750,000 withholding threshold for relevant transactions involving taxable Australian real property or certain indirect Australian real property interests.

The addenda update LCR 2016/5, LCR 2016/6 and LCR 2016/7 to reflect these changes, as well as updating examples, dates and legislative references.

All three addenda apply from 1 January 2025.

ATO pre-fill data expanded to include contractor payments

The ATO has expanded its pre-fill service to include contractor payments reported through the Taxable Payments Annual Report (TPAR) from the 2026 income year.

For the first time, eligible tax returns will be pre-filled with contractor payments reported under the TPAR, with the aim of reducing errors and making it easier for sole traders and other contractors to prepare and lodge their tax returns. The new pre-fill data will cover payments reported in industries including building and construction, courier and road freight, cleaning, information technology, and security, investigation and surveillance.

As most businesses are required to lodge their TPAR by 28 August each year, the additional pre-fill information will generally become available from late August.

The ATO reminds contractors to check pre-filled information against their own records and ensure they report all assessable business income, including income not reported through the TPAR.

Contractors may amend pre-filled information where necessary, provided they have appropriate supporting records. Those who have already lodged their tax return and later identify omitted income can lodge a self-amendment to correct their return.

For further information, please refer to the ATO website.

ATO updates private ruling and shortfall interest charge guidance

The ATO has issued addenda to TR 2006/11 and TD 2012/2, and withdrawn TD 2020/5.

The addendum to TR 2006/11 updates the ATO's guidance on private rulings to reflect recent case law and the promoter penalty provisions in Division 290 of Schedule 1 to the Taxation Administration Act 1953.

The addendum to TD 2012/2 updates the treatment of shortfall interest charge to reflect recent legislative changes affecting its deductibility and the application of the charge to overclaimed tax offset refunds. The changes to deductibility apply to assessments for income years starting on or after 1 July 2025.

TD 2020/5, concerning reasonable travel and overtime meal allowance expense amounts for the 2020–21 income year, has been withdrawn from 23 July 2026 because its date of effect has expired. It remains legally binding on the Commissioner for the relevant period to which it applied.

ATO Rulings and Activity (Cont.)

ATO updates decision impact statement on *Shaw*

The ATO has updated its decision impact statement on the Federal Court's decision in FC of T v Shaw [2026] FCA 197, which upheld the ART's decision allowing a long-haul truck driver's meal expense claims.

Following its review of the decision's implications for related advice and guidance, including TR 2004/6, the ATO has concluded that:

- No changes to existing advice or guidance are required at this stage, and
- There is no immediate need for a practical compliance guideline on claiming and substantiating work-related travel expenses, although this may be reconsidered in the future.

ATO Data Matching Program: Motor Vehicle Registries

The ATO will acquire motor vehicle registry data from state and territory motor vehicle registry authorities for the 2025–26 to 2029–30 financial years.

The data collected under this program will include:

- Identification details, including names, addresses, telephone numbers, email addresses, dates of birth, Australian Business Numbers (ABNs) and other relevant identifying information.
- Transaction details, including the date and type of transaction, vehicle sale price, market value and other information relating to the acquisition or disposal of motor vehicles.

The information collected will be used to identify cases that may require administrative or compliance action, develop tax compliance risk profiles for taxpayers who buy, sell or acquire motor vehicles, and support the delivery of targeted products and educational initiatives to help taxpayers meet their tax and superannuation obligations.

Objectives of the program

The objectives of this data-matching program are to:

- Help taxpayers understand and meet their tax and superannuation obligations, including through targeted education and guidance
- Identify taxpayers who may not be meeting their registration, lodgment, reporting or payment obligations and assist them in complying with those obligations
- Identify and assess risks and emerging trends associated with taxpayers who buy and sell motor vehicles
- Identify taxpayers who have purchased vehicles of a value that appears inconsistent with their reported financial position
- Investigate taxpayers of interest, including sellers, licensed motor vehicle dealers, fleet managers, leasing companies and their representatives, to determine whether proxy or interposed ownership arrangements are being used to conceal the true accumulation or ownership of wealth, potentially creating a risk to public revenue
- Detect and take appropriate compliance action where taxpayers may not have met their obligations under relevant tax laws, including in relation to GST, fringe benefits tax, luxury car tax, fuel tax credits and income tax, and
- Promote voluntary compliance and strengthen community confidence in the integrity of Australia's tax and superannuation systems by publicly communicating the operation of this data-matching program.

For further information, please refer here.

ATO Rulings and Activity (Cont.)

ATO draft instrument on simplified accounting method for restaurants, cafes and caterers

The ATO has issued a draft legislative instrument that would allow eligible retailers, including restaurants, cafes and caterers, to choose a simplified accounting method (SAM), commonly known as the 'purchases snapshot method', to calculate their net GST amounts.

Draft A New Tax System (Goods and Services Tax) (Simplified Accounting Method for Restaurants, Cafes and Caterers) Determination 2026 (LI 2026/D19) would allow eligible retailers to use SAM to estimate their input tax credits for creditable acquisitions of trading stock for a tax period. The estimate would be based on actual trading stock purchase data recorded during two 4-week sample periods in a financial year.

Using SAM may reduce compliance costs for businesses that do not have the systems, software or resources to determine whether each trading stock purchase is taxable or GST-free.

A retailer may choose to use SAM under the draft determination if:

- The retailer is registered for GST throughout the relevant tax period
- The business operated is a restaurant, cafe or catering business during the tax period, and
- The retailer's GST turnover does not exceed the $2 million small enterprise turnover threshold.

The draft determination would repeal and replace Goods and Services Tax: Simplified Accounting Method Determination (No. 38) 2016 for Restaurants, Cafes and Caterers – purchases snapshot method, which is due to sunset on 1 October 2026.

Comments on the draft determination can be submitted until 28 August 2026.

Draft ruling on recipient created tax invoices

The ATO has issued Draft GST Ruling GSTR 2026/D2, setting out the Commissioner's view on when a recipient created tax invoice (RCTI) may be issued and the requirements that apply to recipients issuing RCTIs.

The draft ruling replaces GSTR 2000/10, which dealt with legislative determinations that have since been withdrawn. GSTR 2000/10 continues to apply to RCTIs issued on or before 14 June 2023.

From 15 June 2023, RCTI requirements have been governed by A New Tax System (Goods and Services Tax): Recipient Created Tax Invoice Determination 2023 (LI 2023/20), which is reflected in the new draft ruling.

GSTR 2026/D2 applies from 29 July 2026, from which date GSTR 2000/10 has been withdrawn.

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ATO Rulings and Activity (Cont.)

Class Rulings Issued:

- Erratum to Class Ruling CR 2026/20 to amend typographical errors.
- Addendum to Class Ruling CR 2026/36 Red Metal Limited - in specie return of Maronan Metals Limited shares has been issued.
- Class Ruling CR 2026/40 FAR Ltd - return of capital. This ruling applies from 1 July 2025 to 30 June 2026 to certain shareholders of FAR Ltd.
- Class Ruling CR 2026/41 Peel Mining Limited - return of capital by in specie distribution of shares in Spectre Metals Limited. This ruling applies from 1 July 2025 to 30 June 2026 to certain shareholders of Peel Mining Limited.
- Class Ruling CR 2026/42 Peel Mining Limited - scrip for scrip roll-over. This ruling applies from 1 July 2026 to 30 Jun
- Class Ruling CR 2026/43 Emmerson Resources Limited – scrip for scrip roll-over. This applies to shareholders specified in the ruling from 1 July 2026 to 30 June 2027
- Class Ruling CR 2026/44 Toro Energy Limited – scrip for scrip roll-over for shareholders. This applies to shareholders specified in the ruling from 1 July 2025 to 30 June 2026.
- Class Ruling CR 2026/45 Thales Australia Limited - Early Retirement Scheme 2026-2027. This applies from 30 July 2026 to 31 January 2027 to certain Thales Australia Limited employees.
- Class Ruling CR 2026/46 Department of Primary Industries and Regional Development - New South Wales Forestry Industry Worker Support Program. This ruling applies from 11 November 2025 to 7 September 2028.
- Class Ruling CR 2026/47 Central Waste Group - employee share scheme - minimum holding period. This ruling applies from 1 July 2021 to 30 June 2024.
- Class Ruling CR 2026/48 Australian Construction Industry Redundancy Trust - members in receipt of payments on termination of employment. This ruling applies from 1 July 2025 to 30 June 2029.

Other Rulings Issued:

- Product Ruling PR 2026/10 Fringe benefits tax consequences for employers under an Origin electric vehicle subscription agreement. This ruling applies to employers specified in the ruling from 1 April 2026 to on or before 31 March 2029.
- Product Ruling PR 2026/11 Challenger Guaranteed Annuity (Short Term). This ruling applies from 1 July 2026 to specified entities.
- Product Ruling PR 2026/12 Challenger Guaranteed Annuity (Floating Rate Fixed Term). This ruling applies from 1 July 2026 to specified entities.
- Product Ruling PR 2026/13 Fringe benefits tax consequences for employers under an EMobility electric vehicle subscription agreement. This ruling applies from 1 April 2026 to the employers specified in para 4 of the ruling that enter into the scheme from 1 April 2026 until 31 March 2029.

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Latest Australian Tax Cases

> Department of Education (Vic) v FC of T 2026 ATC; [2026] FCA 898, 10 July 2026

The Federal Court has set aside amended superannuation guarantee charge assessments issued to the Victorian Department of Education in respect of almost two decades. The Court found that the annual "salary loading allowance" paid to teachers in Victorian Government schools did not form part of either the "notional earnings base" for the period before 1 July 2008 or "ordinary time earnings" for the period from 1 July 2008 onwards for the purposes of calculating superannuation guarantee contributions.

> Evolution Mining Ltd v FC of T 2026 ATC; [2026] FCA 935, 17 July 2026

Contrary to the Commissioner's submissions, the Federal Court held that a head company's purported election in its 2014 income tax return to cancel the automatic transfer of tax losses from a subsidiary acquired in 2012 was ineffective for the purposes of s 707-145 of the Income Tax Assessment Act 1997 (ITAA 1997).

> Premier Aviation Holdings Pty Ltd ATF Premier Aviation Holdings Unit Trust v FC of T 2026 ATC; [2026] ARTA 1468, 31 July 2026.

The ART affirmed that a trustee was not entitled to input tax credits for legal services acquired over a three-year period, finding that the services were obtained in connection with proceedings brought by the trustee in its capacity as a shareholder rather than in carrying on a relevant enterprise. Accordingly, the acquisitions were not creditable acquisitions for GST purposes.

> Barron v FC of T 2026 ATC; [2026] ARTA 1330, 15 July 2026.

The ART has partially released a semi-retired film producer and writer from the general interest charge (GIC) component of his income tax debt. While the taxpayer's personal circumstances did not justify release from his entire tax debt, including a director penalty debt that was not eligible for release, the ART considered that his age and potential financial capacity supported a partial release. It found that the partial release would assist him in addressing his remaining tax liabilities.

> Little Monsters Productions Pty Ltd v Screen Australia 2026 ATC ¶21-029; [2026] FCA 902, 14 July 2026.

In a decision reminiscent of *Groundhog Day*, the Federal Court has denied the taxpayer an extension of time to appeal from the first decision of the ART reported at 2025 ATC; [2025] ARTA 1732 (on the basis that it was not an appealable final decision), determined that a second decision of the ART pertaining to the same matter was infected by legal error (as the matter had by then been dismissed following the taxpayer's withdrawal of its application for review), but nevertheless remitted the taxpayer's "in the alternative" application in the second decision for an extension of time (to make a further application for review of Screen Australia's decision) to the ART for redetermination. And so it goes on.

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