TaxBanter

Personalised Tax Training

In-house Special Topics

2025

THE PROGRAM

Our monthly Special Topic presentations are practical yet detailed analyses of specific areas of tax law or practice. We carefully select these each year based on current happenings in the industry, along with feedback from our clients.

Many of our in-house clients receive a general Tax Update, along with a Special Topic at their sessions, however your training can be customised to fit your specific needs. We also facilitate mentoring for junior staff, leadership programs, and much more.

Call us at 0413 955 686 or send us an email to have a chat about your firm's ideal learning & development program.

JANUARY 2025

Tax implications of crowdfunding

Crowd-sourced funding (CSF) is widely used by individuals and businesses. CSF is a financial service subject to a regulatory framework implemented to protect the public and investors.

This session will cover:

- the regulatory framework for the CSF industry and companies fundraising using CSF
- the tax and GST implications of CSF and the ATO's crowdfunding models for:
  - Businesses
  - Individuals – for private purposes
- case studies

FEBRUARY 2025

Compensation receipts are not all tax-free?

Obtaining compensation can be a long, arduous and expensive exercise and when it is finally received – net of legal costs – there is the question of tax. If the compensation merely puts us back to our original position how and where does tax fit in? A claimant seeking compensation should be aware of the tax consequences and factor the tax liability into the claim.

The range of circumstances in which compensation may be awarded is vast, including injury, loss or destruction. Claims may be for personal injury which can be physical or mental, reputational or professional; losses may relate to tangible or intangible assets, property, occupation, even opportunity. Destruction of assets may be total or partial. Claims for compensation may relate to a number of different heads and the amount awarded may cover different things.

This session will cover:

- the general principle of assessability of a compensation receipt
- the importance of properly characterising the receipt – i.e. working out what it is really for
- when apportionment of the receipt is necessary
- specific exemptions from income tax / CGT
- other provisions that bring reimbursements and recoupments into assessable income.

MARCH 2025

Interaction of the small business CGT concessions and superannuation

Taxpayers who are planning to realise the wealth built up in their business by selling it, taking advantage of the small business CGT concessions and using the tax concessional environment of their self-managed superannuation fund (SMSF) to maximise their savings for retirement need to be familiar with the rules for both the CGT concessions and limits to superannuation contributions.

This session will cover – using a case study for illustration – :

- the applicable caps and thresholds for the Div 152 small business CGT concessions
- the timing of contributing the concessionally taxed gains into superannuation
- electing to exclude concessionally taxed CGT amounts from the non-concessional contributions cap
- the limits on a superannuation fund's accepting contributions of CGT amounts
- how to maximise the total superannuation balance by using:
    - the bring forward rule for non-concessional contributions
    - the CGT cap for making contributions of capital proceeds from disposal of the small business
- taking advantage of the downsizer contribution of $300,000.

APRIL 2025

Financing business activities

The way in which a business is financed will depend on many factors including the legal nature of the entity carrying on the business (i.e. an individual, a company, partnership, trust), the purpose for which the finance is sought, the financial strength of the business and the willingness of banks and other lenders to lend money to it.

Finance can take many forms – it can be by way of equity – i.e. equity holders such as shareholders share in the profit of the business – or debt; it can be off-balance sheet.

The terms of debt finance – i.e. the loan has to be repaid with interest – will vary in its terms depending on the lender and the purpose for which it has been advanced

This session will cover these sources of finance and their tax implications, including:

- the debt / equity rules
- hire purchase v lease finance
- leases of luxury cars
- commercial bills
- working capital funding
- non-recourse debt
- loans between related parties
- refinancing.

MAY 2025

Building in my back yard (BIMBY)

The rising property values and the housing shortages in desirable urban localities present an opportunity for residents to realise some of the wealth tied up in their expensive backyards. The decision to embark on subdividing the property and building a residence that will be in keeping with the streetscape and sympathetic to the existing house as well as returning a profit that might reduce or eliminate the existing mortgage does carry with it some potentially complex considerations.

If the resident's wealth is tied up in the land, the project will be funded by a bank loan.

This session will cover the taxation and GST implications for an individual realising the wealth tied up in their backyard by adopting any of the following development strategies:

- subdividing and selling the vacant lot
- subdividing, building a residence and selling the new residence
- subdividing, building a residence, renting it for a time and eventually selling it
- subdividing, building a residence, moving into the new residence and selling the old residence.

JUNE 2025

Directors and distressed companies

Directors of a company are under a general law duty to act in the best interests of their company; they also have a lot of statutory duties under the Corporations Act 2001 in relation to the operation of the company. Allowing a company to trade while insolvent attracts personal liability for the director.

Directors can also be made personally liable for some of their company's tax debts such as PAYG withholding, superannuation guarantee, GST and the LCT and WET if the director fails to take the necessary action specified in the Tax Administration Act 1953 (TAA).

As the economy slows, directors of distressed small businesses may need to consider the simplified debt restructuring process as an avenue to get their company back on track without having to appoint a liquidator.

This session will cover:

- in broad terms, the duties imposed on company directors in relation to their company
- how the Tax Law imposes responsibility — by way of the director penalty notice (DPN) regime — on directors in relation to PAYG withholding, Superannuation Guarantee contributions, GST, LCT and WET
  - the Commissioner's power to issue estimates for the purposes of recovering unremitted PAYG withholdings and unremitted SG charge impacts on directors
  - the defences available to directors against in respect of their personal liability for their company's tax debt
- the implications for a director of a company tax debt being a debt for insolvent trading purposes
- using the small business restructure plan as a means of managing the company back on track.

JULY 2025

The trust return – more than just the numbers

The net (taxable) income of a trust is worked out in much the same way as for other resident taxpayers. Establishing who is liable for the tax on that net income turns on concepts of trust income, as determined under the trust deed, and present entitlement to it which is usually created by irrevocable resolution of the trustee.

Making beneficiaries presently entitled to trust income, or not, engages the operation of Div 6 of the ITAA 1936; making beneficiaries specifically entitled to amounts such as franked dividends and capital gains engages the streaming provisions. A trustee's power to stream different components of its distributable income to different beneficiaries may have unforeseen consequences for tax purposes because the Tax law currently only accommodates streaming of franked dividends and capital gains.

Help for completing the 2025 trust tax return is available in the ATO's 360-page instructions.

This session will cover:

- the statement of distribution section of the trust return and examine the different elements that have to be reported to:
  - the ATO in the return
  - the beneficiary to allow them to complete their trust income schedule for their returns
- the labels that report each beneficiary's share of trust income i.e. present entitlement and implications if the trust net income is amended
- the implications of the trust's status under the Trust Loss provisions.

AUGUST 2025

Death and the MRE

The total value of residential dwellings in Australia has been reported as being around $10.4 trillion. Housing is the largest source of wealth for most Australian retiree households. The expected massive wealth transfer over the next decade from the wealthy boomer cohort to the next generation, will raise questions about the tax consequences for the transfer of the currently tax-exempt main residence to beneficiaries.

This session will cover how the main residence CGT exemption (the MRE) in Subdiv 118-B applies on disposal of a dwelling that:

- was acquired by the deceased before 20 September 1985 jointly with their spouse who subsequently died
- passed to an individual beneficiary or trustee of a deceased estate
- was used by the deceased to produce assessable income during some part of their ownership
- was inherited from someone who inherited it themselves
- was acquired from a deceased estate
- is subject to a life tenancy.

SEPTEMBER 2025

Employment termination payments

The nature of a payment to an employee on termination of their employment will vary depending on the reason for termination. The reason for which the payment was received will determine whether it is a payment in consequence of the termination of employment, whether it is a genuine redundancy payment, a genuine invalidity payment or some other type of payment that receives concessional tax treatment, or is just taxed at the person's marginal rate of tax.

Working out what a payment is actually for is a fundamental first step in working out its treatment for tax purposes — this is no less important for payments which are considered to be on termination of employment because some payments can be of a capital nature and therefore excluded from being an ETP.

This session will cover:

- in broad terms, some of the obligations under Fair Work legislation which an employer has when it terminates an employee's employment
- the elements of the statutory definition of an ETP
- when a payment is made 'in consequence of' the termination of employment
- the limits to the concessional treatment of an ETP
- how life benefit termination payments and death benefit termination payments are taxed to the employee
- how genuine redundancy payments are concessionally taxed
- an employer's Pay As You Go (PAYG) withholding and reporting obligations in respect of a termination payment
- an employer's superannuation and payroll tax obligations in relation to termination payments.

OCTOBER 2025

Choosing an appropriate business structure

Advice to a client about an appropriate structure in which to carry on a business will be based on the client's specific circumstances, goals and aspirations and should take into account taxation as well as commercial considerations. The client's concerns at the initial setting up phase may be with things like obtaining funding, keeping establishment and ongoing compliance costs down, limiting personal liability and the ability to minimise tax if things go well. This means that the structure which is appropriate at the early stages of the business may not be appropriate at a later stage in the life cycle of the business. The client's business plan will therefore consider how the business structure will be changed as the business grows and expands.

This session will consider the typical business structures used to carry on a business including:

- assessing their advantages and disadvantages in relation to:
  - establishing the structure
  - funding requirements
  - operating the structure
  - getting money out
  - exiting the structure
- the tax treatment of income and losses of the entity
- the administrative and reporting obligations
- examples of structures that may be used to achieve different objectives

NOVEMBER 2025

The interaction of accounting and tax

Accounting serves many purposes whereas the purpose of the tax law is to compulsorily exact money from citizens. Because of its purpose, the tax law has to be prescriptive and therefore clear and precise. Many tax concepts, e.g. ordinary income, derive, income of the trust estate and goodwill, depend on the ordinary meaning of the term and therefore import the business and commercial meaning given to such terms. Moreover, since tax is imposed on business and commercial transactions, its content will be informed by concepts relating to business and commerce — these are the concepts in accounting standards and generally accepted accounting principles.

This session will examine how the tax law and accounting principles interact, including when:

- a term used for accounting purposes has a legal meaning e.g. goodwill
- the tax treatment of a transaction requires its accounting treatment to be disregarded
- compliance with accounting standards is essential to a particular tax outcome
- accounting for gains differs from the gain that is concessionally taxed e.g. under the small business CGT concessions
- accounting records are relied on as evidence for tax purposes
- journal entries have legal effect for tax purposes

DECEMBER 2025

Superannuation – keeping up to date

Superannuation continues to be an attractive tax shelter for those who can afford it. Self-managed superannuation funds (SMSFs) are particularly attractive to taxpayers who have accumulated enough in super and want to control how and where the funds are invested. But recent reports highlight the wealth inequality that superannuation has created particularly since a large part of the expensive superannuation tax concessions go to a small proportion of taxpayers.

Many taxpayers still have relatively modest levels of superannuation.

This session will consider the recent responses from the Government's addressing some of the inequities by announcing or implementing measures to encourage savings in superannuation for those with low balances and curbing the generous tax breaks for those estimated 80,000 Australian with already substantial balances of some $3 million, including:

- the non-arms' length expenditure (NALE) rule for SMSFs which treats the amount of NALI arising from a NALE that is a general expense as being twice the difference between the expense that the SMSF incurred and the amount that might have been expected to be incurred
- the (proposed) Div 296 tax which imposes a tax at a rate of 15 per cent for superannuation earnings corresponding to the percentage of an individual's superannuation balance that exceeds $3 million for an income year commencing in 2025–26
- reducing the age from which a person can make a downsizer contribution into superannuation from 60 years to 55 years
- requiring – from 1 July 2026 – employers to pay their employees´ super at the same time as their salary and wages

Other changes relevant to superannuation include:

- exercise of the Commissioner's remedial power to ensure that persons aged 67 to 75 who are an employee under the extended meaning in the SIS Act can meet the 'work test' for personal contributions
- the Commissioner's clarification of when a payment by a trustee to a fund to establish and build a risk reserve is deductible
- further clarification on the employee / contractor distinction for the purposes of the Superannuation Guarantee obligation
- changes to the treatment of the transfer balance cap for successor funds.

ALTERNATIVE / EVERGREEN TOPICS

Evergreen topics have a narrower scope than standard Special Topics, to allow a deeper dive into concepts that are fundamental to the tax system. The list of Evergreen topics will grow — topics to become available in 2025 include:

Evergreen Topic	Available from
Small business CGT concessions— basic conditions	February 2025
FBT – Core rules	March 2025
PSI – Core rules	April 2025
Year end issues	May 2025
Capital allowances — Core rules	June 2025
Work-related expenses	July 2025
Div 7A — Core rules	August 2025
GST – Core rules	September 2025
Ethics	October 2025
CGT rollovers	November 2025
Superannuation — Fundamentals	December 2025

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