

# Tax Practitioner Stewardship Group – Tax Time 2020

## Key messages 23 June 2020

The Tax Practitioner Stewardship Group Tax Time 2020 meeting was held on Tuesday 23 June 2020.

Key messages and themes from the discussion are listed below to assist Tax Professionals to communicate key messages to their clients.

### Lodgment stats as of xx/xx/xxxx

<b>LODGMENTS</b> Type and channel	<b>Overall - year to date</b> total returns received as at 28/06/2020	<b>Current year returns</b> as at 28/06/2020	<b>Comparison - Current</b> year returns received as at 29/06/2019
<b>Individual</b> Electronic	15,790,365	13,844,314	13,341,143
<b>Non-Individual</b> Electronic	2,920,548	2,411,396	2,488,408
<b>Self-Preparer</b> myTax	5,136,474	4,545,231	3,878,347
<b>Tax Practitioner</b> Practitioner Lodgment Service (PLS)	13,209,244	11,611,448	11,851,426

*Please note: Paper statistics have been removed from this table as lodgments via paper may not be represented in statistics during the 56-day processing service standard.*

### Individuals and Intermediaries

Deputy Commissioner Hoa Wood provided an update on current Individuals and Intermediaries business line activities.

The current focus is on preparing for Tax Time 2020 and developing support materials to assist taxpayers and tax professionals:


- The ATO is developing a Tax Time Tool Kit. This tool kit provides useful documents to guide tax professionals on topical issues and assist conversations with their clients.
- Assistant Commissioners Trent Jakubowski and Sylvia Gallagher have starred in a series of help videos being shared through our social media channels including LinkedIn. These focus on topical issues for this tax time.
- The Tax Help program has had to take a different approach this tax time by looking at alternate ways to reach people virtually.

We are continuing to work with Professional Associations on how to closely work together on tax time messaging.

### Service Delivery

Deputy Commissioner Grant Brodie provided an update on Service Delivery activities. Recent call volumes are still up from the same time last year, although they have reduced slightly in recent weeks. The average length of calls are approximately 30% longer than last year. The nature of calls still focuses on stimulus measures and linking codes.

Contact centre staffing levels have been increased in readiness for Tax Time 2020. ATO contact centre extended hours of service from next week will be: 8:00am – 8:00pm Monday to Friday, and 10:00am – 4:00pm Saturday and Sunday.



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The group discussed the service times for the tax agent phone line. There were mixed views on opening the tax agent phone line outside of normal business hours. An extended hours service for tax agents, aligned with the general phone lines, will be trialled in July.

Assistant Commissioner Frances McMorow provided an update on the commencement of the Tax Time 2020 processing safety nets in place. These safety nets ensure that any 2019/20 forms lodged don't process automatically. This allows for checking and verification activities to be performed on these forms and ensure that system updates are operating as expected. To date, processing appears to be progressing well with forms being processed correctly. Members will be updated on the anticipated date that these safety nets will be removed at a future meeting.

### Small Business

Deputy Commissioner Deborah Jenkins provided an update on Small Business activities.

The extension of Instant Asset Write Off to 31 December 2020 received Royal Assent on 19 June 2020. ATO communications have encouraged businesses to seek advice from their accountant or tax professional prior to making purchases. The ATO have been working closely with motor vehicle distributors in particular to share this messaging as an area of confusion is around the application of the Instant Asset Write Office to motor vehicles.

The rules around the ordering and purchases of tools and equipment remain the same as previous years, specifically the need to be installed and ready for use. Members are encouraged to provide feedback and insights on this topic.

The change of date will allow for entities with substitute accounting periods to take advantage of the incentive.


The ATO are working to help businesses understand the tax treatment of various grants related to both bushfires and COVID-19. There are different terms and conditions around these grants, and this is causing confusion in the community about the appropriate tax treatment. Further information will be shared with members when available.

### Systems update and maintenance

Deputy Commissioner Alex Adams provided an update on systems updates and maintenance. The ATO has been working to ensure the capacity of ATO systems are sufficient to cope with the demands of tax time, in addition to the ongoing stimulus measure requirements.

An unknown this year is trying to predict community behaviour, in terms of how many people will commence lodging from 1 July. ATO systems and platforms need to ensure they are able to cater for that demand in addition to having capacity for the on-going activities for JobKeeper and early release of Superannuation. Processes are in place to respond to unexpected issues should they arise.

A solution has also been implemented that provides the option to manage online user throughput during high capacity periods. This solution can be used for ATO Online for Individuals, Online Services for Agents and Business Portal. If the solution is activated to manage capacity, it means that some users will be presented with a user-friendly message communicating that high volumes are being experienced and to try again later.



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### Communications

Assistant Commissioner Sally Bektas provided an update on upcoming communication activities. This year the ATO's communications focus is on supporting Australians during challenging times and providing support to tax professionals and their clients during tax time.

In preparation for Tax Time 2020 there are a number of activities under way through various channels including:

- the video series starring Assistant Commissioners Trent Jakubowski and Sylvia Gallagher
- the Tax Professionals newsletter
- ensuring that tax professionals are receiving regular email updates.

The ATO will be using all channels to make sure that information is available and that taxpayers understand where to find the information they need to understand and meet their obligations. The next Tax Professionals newsletter will provide more detail about how tax professionals can self-serve at tax time and what they will need to call the ATO for.

A media release on the ATO's COVID-19 compliance approach for early release of Superannuation, cash flow boost and JobKeeper issued today. It outlines what the ATO is seeing and looking more closely at and advises taxpayers that if they have made a genuine mistake the ATO will work with them to correct it. However, the ATO will be reaching out to those who have attempted to defraud the system and taking the appropriate action.

Topics covered in the Tax Professionals newsletter include:

- Business changes and Taxable Payment Annual Report (TPAR)
- Lodgment program performance summaries
- End of year finalisation through Single Touch Payroll
- myGovID and RAM updates and changes to our platforms
- Work-related expenses, which are discussed in more detail in the recent [Tax inVoice podcast](#).

myGov messages will be issuing to taxpayers regarding how to access their income statements, as well as enforced messaging around waiting for income statements to become available before lodging.

Work is being done to finalise the full suite of Tax Time Toolkits and occupation guides to be ready by 1 July 2020. This includes new occupation guides for the agricultural sector, lawyers, bus drivers, factory workers, paramedics, performing arts, firefighters and call centre operators.

The Tax Time Toolkits for aviation, construction, education, government, real estate, retail, transport, rental properties and small business will also be available. The translation of relevant occupation posters across five different languages will also take place, so to assist those who have clients who are culturally or linguistically diverse. This information is available on the ATO website.

Another focus for the ATO at tax time is around scams and security. The ATO are making sure awareness messaging reaches a broad range of people and will be engaging to share information through every channel, not just for organisations but for individuals as well.

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### Digital Services

Assistant Commissioner Kerry O'Loughlin provided an update on Digital Services.

The Quarter 2 (Tax Time 2020) release over the weekend of 20-21 June was successful, and additional functionality was implemented in the deployment.

#### MyGovID

'Verify my visa' expands the available identity documents that can be used to obtain a standard myGovID and importantly, it may mean users with an existing Basic authorisation could be eligible to upgrade to a Standard myGovID, giving them the potential to have full access to Online Services for Agents (OSfA), dependent on the permissions set by the practice.

As part of the weekend release the ATO provided a detailed explanation of the changes that were being delivered, along with the audit trail material to key client groups prior to the release. Screen shot examples of the changes (e.g. what myGovID looks like with the 'visa' as an option) were not shared but this may be considered for future releases.

As part of the upgrade over the weekend, the new version of myGovID was published to the Apple and Google app stores during the outage window as per standard practice.

Both Apple and Google then need to review the updated app, then publish the app so that users can receive the upgrade. This usually occurs within the outage window and has done so for the past 12 months.

Unfortunately there was a delay with the Apple and Google app review process and the subsequent availability of myGovID in the app stores.

This meant that some users who tried to access the app during this period would have received a 'looping' issue as the new app was not published and the old app was no longer available. This issue only impacted users during the time of the app store delay, and there is no ongoing incident in relation to this.

Some users were required to either delete the app and reinstall, and/or in rare circumstances need to re-prove their Identity as a result of issues with the app. Having the app 'auto' install new updates does assist in avoiding these issues, though this is the client's choice as it is a setting in their phone –the myGovID website will be updated to advise of this option.

#### Access Manager – Access Manager history report

This report shows details on when staff have accessed OSfA. This report was introduced in response to concerns from tax professionals around limited visibility of staff accessing ATO systems out of office/out of hours.

#### Relationship Authorisation Manager (RAM) new features

Three new features were introduced following the rollout:

- A feature that notifies existing associates when a new associate links the business.
- Prevention of an individual from having concurrent authorisations for the same business; this simplifies authorisations in RAM.
- The ability to download a detailed list of authorisations, to assist business in managing their authorisations.

The feature to 'Prevent an individual from having concurrent authorisations for the same business' relates to an issue where a single person in a business may be listed as the 'principle authority', and the 'administrator', and in some cases as a 'basic user'.

The hierarchy of RAM means the highest authorisation prevails (i.e. the principle authority authorisation) so other relationships are redundant as such. We delivered this feature to simplify the authorisation process for users, meaning you can only have one authorisation per ABN.



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As tax agents and BAS agents are not added in RAM, these relationships remain with the realm of ICP (add client etc).

### **Machine to machine credential**

A new feature to notify the machine credential administrator when a credential custodian is removed was deployed as part of Quarter 2.

### **Digital Service Providers (DSP) update**

Overall DSP readiness is at 70%, which is similar to last year's trend.

- Income tax return is at 67% readiness and on track
- Partnership tax return is at 78% and on track
- All major tax professional software providers have confirmed they are 'Tax Time 2020 ready'.

### **Online Services for Agents (OSfA)**

Quarter 2 Business Deployment Verification (BDV) was successful and there were no changes or impacts to OSfA functionality as part of the Quarter 2 roll out.

OSfA usage is driven primarily by BAS due dates, and this year by COVID-19 stimulus measures. Tax time is not a major driver of OSfA usage. For the week 15 - 21 June there were 129,000 logins to OSfA, which is consistent with the week prior. Usage will be monitored on a weekly basis.

### **Practitioner Lodgment Service (PLS)**

- The income tax return was successfully deployed.
- For the week 15-21 June, 400,992 transactions were received.

### **Pre-fill data**

Pre-fill service is being deployed and is in the final stages of testing. Data is being loaded as it becomes available. More details on numbers of records/availability of data will be provided in future updates. However, it is looking like this will be available at the same time last year.


*Can we provide practitioners with update if we expect prefill to be late?*

Most data is not statutorily required until 31 October so is not overdue or late (in legal sense) until after this date. As mentioned at the meeting the ATO provides a Prefill Availability page on [ato.gov](https://ato.gov.au) to advise clients, tax agents and the data reporters as to when data is available in prefill. This is updated daily.

There are variances year on year around the date data is reported depending on an individual reporter's circumstances and factors such as what day 1 July falls on. Reporters are aware the longer it takes them to get the data in the more likely they'll field queries from their customers. For Tax Time 2020 we are not expecting data receipt to be significantly different to last year.

*Why can't we pre-fill Job Keeper amounts for sole traders?*

- JobKeeper was announced late in the tax time readiness process which limited the opportunity to make system changes
- JobKeeper information for employees can be reported via prefill as it uses existing reporting arrangements for employers reporting salary and wage to the ATO,
- Sole traders don't usually have this type of income, so it is not part of the current third-party data reporting process
- As JobKeeper data for sole traders is not reported to us as it is for employees, significant systems change would have been required and unlikely to be achieved within the available timeframe.



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### Self-preparers

The Tax Time 2020 release was successfully deployed over the weekend and post deployment verification testing is currently underway. Tax time communication emails around claiming expenses have begun to issue.

### Debt and Lodgment

Deputy Commissioner Vivek Chaudhary provided an update on debt and lodgment activities. There are still a substantial amount of lodgments and payments being received for 2019 obligations.

The ATO will look to start engaging with clients who haven't paid or sought any assistance for outstanding obligations with a gradual approach, recognising and responding to clients' needs and trying to pre-empt as much as possible. An update will be provided to members at a future meeting as details are finalised as to what this approach will look like.

Tax professionals are urged to encourage their clients to keep the ATO up to date if they are having trouble meeting their obligations.

### Post COVID-19 education and support strategy for Small Business

Assistant Commissioner Dan Ralph and Senior Director Marcus Chew provided an update on the ATO's proposed approach to supporting small businesses impacted by COVID-19 and sought member feedback the approach.

The ATO is developing approaches to assist small businesses who may have endured challenging circumstances and help them meet their tax obligations as easy as possible. This is based on research advising that small business is looking for more tailored information to suit their circumstances that they can access information quickly and easily.

Targeted and tailored messages will be provided to clients in addition to broader Tax Time 2020 messages. Messages will be communicated through emails and SMS encouraging small businesses to visit our support content on [ato.gov.au](https://ato.gov.au) or to contact their registered tax professional.

The website content will provide information about how we are looking to support small business, and link to a range of existing topics on [ato.gov.au](https://ato.gov.au). The intent is to guide small business to the information and enable them to educate themselves.


The focus will be to provide this assistance to specific industries, particularly retail and hospitality, sport and recreation, some professional services, building and construction and ride sourcing as well as clients more broadly who may have been facing challenges recently.

Feedback and questions from members on the approach included:

- Is there a new initiative, product or solution? Is this new information, or are you highlighting existing information product?
- Members queried where the demand for this information comes from, as most small businesses use a tax professional. The ATO recognise that some small businesses are looking for more help because they are struggling and may not be in a position to use the services of an agent this year.
- Members queried whether the approach states that small businesses should seek advice from their tax professional to clarify or expand on information provided on the ATO website.

The group advised that tax professionals would want to a copy of the emails and the SMS that were being issued to their clients, to enable them to be prepared should the client contact them.





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### JobKeeper stimulus measure

Deputy Commissioner James O'Halloran provided an update on the JobKeeper stimulus measure. The ATO has released a media statement regarding COVID-19 fraud measures, talking about what is being seen and heard from the community and areas of ATO concern.

There have been concerns raised by tax professionals regarding the additional workload attributed to not being able to amend the employee numbers in JobKeeper reporting. The ATO advised that the functionality for amendments won't be available for the foreseeable future, however the ATO acknowledges the additional work that this creates. There is a clear view from the tax professional community that finding a solution for this is important, and members highlighted the need to share better information with tax professionals about this issue.

The ATO is aware and acknowledges that there are applicants still waiting for JobKeeper payments. Reasons for the delay include the eligibility of business participants and integrity issues affecting a small but significant number of cases. The ATO is contacting applicants who have shown no sign of life or recent engagement.

The ATO may contact applicants who received the first payment but may be required to provide additional information prior to further payments being made.

A small number of employees have been listed on multiple applications. The ATO understands and appreciate that this may be no fault of the employer and will work with employers to resolve this issue.

### Cash flow boost stimulus measure

Assistant Commissioner Kasey Macfarlane provided an update on cash flow boost payment reversals and the repayment process.

On 19 June 2020 the legislative amendment in relation to cash flow boost received Royal Assent confirming that the amount for alienated Personal Services Income (PSI) subject to withholding contributes towards the calculation of cash flow boost. The ATO is in the process of updating web content to reflect this.

There were a small number of clients that came forward prior to the amendment to advise that they received the cash flow boost amount in relation to that PSI that they weren't entitled to and paid the money back to the ATO. The ATO have identified clients in this category and are in the process of repaying the original cash flow boost payment amount now that legislation has received Royal Assent.

Work is progressing to contact businesses waiting for cash flow boost payments where the ATO require confirmation of eligibility. There are still a small number waiting due to integrity issues that need to be investigated further. Instances where payments may be delayed may be due to backdated PAYWG roles and ABN registrations prior to 12 March 2020. There may be some cases where documentation can be provided to explain the change.

There have been cases where businesses have lodged a revision to March activity statements, where the original activity statement has 0 at the W1 and W2 labels, and now with a revised amount showing. In some cases, this may be an error. Given the number of revisions the ATO has received, as well as the number of those that have no prior history to salary of wages this is a potential integrity concern requiring further investigating.

The ATO has received questions regarding cash flow boost amounts received incorrectly and how those amounts can be reversed or repaid. The most effective way to do this is to call the ATO contact centre and provide client details. Contact centre staff have the tools and processes in place to action this. Using channels other than the above mentioned for requests may cause delays in processing the reversal.



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### Tips and links

- [Updated information](#) is available on our website on the terms of use for employers using the Small Business Superannuation Clearing House (SBSCH).
- If you are selling or buying new residential premises or potential residential land, you need to comply with the [GST at settlement process](#).
- The ATO is aware that residential rental property owners may be concerned about how COVID-19, floods, or bushfires have reduced their income. [Information is available on what you need to know this tax time](#)
- We offer a variety of ways you can keep up to date with information that affects you and your clients. See [news alerts and services](#)

### Next meeting date

The next Tax Practitioner Stewardship Group Tax time 2020 meeting will be held on Tuesday 30 June from 9:45am – 11:45am (AEST).

If there are any concerns in relation to any aspect of Tax Time 2020 meetings, please contact us via [TPSG@ato.gov.au](mailto:TPSG@ato.gov.au).