



## ATO to Cancel Inactive ABNs

### Are Your ABNs Active and Up To Date?

To maintain accurate data, the Australian Business Register (ABR) periodically checks its records for Australian business numbers (ABNs), and automatically cancels those that appear inactive. The ABR checks are happening throughout 2018.

Your client may have their sole trader, partnership, or trust ABN cancelled if they have:

- declared no business income for the last two years.
- not lodged business activity statements or income tax returns for more than two years.

To avoid ABN cancellation, your clients with outstanding lodgments need to bring these up to date.

Sometimes sole traders have forms outstanding because they think they don't need to lodge if their income is below the tax-free threshold. Remind your sole trader clients that, **regardless of their income**, they need to:

- lodge their individual tax return, including the supplementary section.
- lodge their business and professional items schedule for individuals.
- pay their IAS, and if Nil they must lodge a Nil.

It is important that ABR information remains current, as the public uses ABN Lookup data to verify business and GST status. If your sole trader client no longer operates a business, you can **update** their business structure and **cancel their ABN**. If your client decides to start running their business again, they can easily **reapply**.

## ATO Lodgement Dates

These dates are from the ATO website and do not take into account possible extensions.

You remain responsible for ensuring that the necessary information is with us in time.

### **BAS/IAS Monthly Lodgements**

Final dates for lodgements and payments:

July Activity Statement:

21 August 2018

August Activity Statement:

21 September 2018

### **BAS Quarterly Lodgements**

Final dates for lodgements and payments:

#### **4th Quarter 2018 Financial Year:**

##### **June Quarter 2018 (incl. PAYGI)**

28 July, 2018

##### **1st Quarter 2019 Financial Year:**

##### **September Quarter 2018 (incl. PAYGI)**

28 October, 2018

When a due date falls on a Saturday, Sunday or Public Holiday\*, you can lodge or pay on the next business day.

\*A day that is a public holiday for the whole of any state or territory in Australia.

Due date for super guarantee contributions:

#### **4th Quarter 2018 Financial Year:**

April to June 2018 – contributions must be **in the fund** by 28 July, 2018

#### **1st Quarter 2019 Financial Year:**

July to September 2018 – contributions must be **in the fund** by 28 October, 2018

The super guarantee charge is not a tax deduction if not paid by these dates.

Refer to the ATO for details regarding any SGC charges applicable if not paid by due date.



## Fixing Single Touch Payroll (STP) Validation Errors

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### What to do when the ATO says there is a problem

The ATO Validates your STP file and data submission at a number of levels.

Some of the tests include:

#### 1. File header information

- Is the file in the right format?
- Was the file submitted through an approved secure channel?
- Did a valid person authorise the file?

#### 2. Employer information

- W1 & W2 fields
- the dates

#### 3. Employee records

- YTD values
- Super information

#### 4. Data validation

- The ATO will eventually be conducting evaluation of the numbers, and begin to raise queries when the numbers don't look right.

In the coming months, the validation checks that the ATO performs will return *validation reports* about any files which are outrightly rejected, or where the file is accepted but some of the data is incorrect – i.e., maybe one of the employees' TFNs is not valid.

The ATO will provide a validation report to your software if your software has a direct, secure and authorised communication channel to the ATO. If that channel is not acceptable, then the ATO will provide that validation report to the employer. If the software channel is acceptable, the software company should be providing you with that report in a form that enables you to fix any errors.

When the error has been fixed in your payroll system (the 'source of truth') you are **not** required to resubmit the file. The Single Touch Payroll design does not allow for a file to be resubmitted (see below about 'Full File Replacements'). You fix your system, and the information will be fixed in the next file submitted for that employee.

Alternatively, if the error is to an employee's information that will appear on their myGov record, you could submit an 'Update' file to the ATO (if your software has that function).

A Full File Replacement can be used in cases where the very last file is to be fully replaced. Note that it is only the very last file that was submitted by each BMS (Business Management System / Payroll software) that can be replaced.

**An employee's information can be fixed in the next payrun, or as mentioned by an 'Update event'. The Employer information for W1 or W2 that was wrong can be fixed at the time of preparing and lodging the next BAS.**

Disclaimer: All or any advice contained in this newsletter is of a general nature only and may not apply to your individual business circumstances. For specific advice relating to your specific situation, please contact your accountant or contact me for further discussion.

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