Newsletter

APRIL 2026

Key updates for FBT time

The ATO has released details that they will be targeting FBT in the upcoming FBT Returns in regards To Motor Vehicles and Entertainment.

The ATO has identified a large tax hole in 4 door utes and are utilising any method available to them to close the loophole and apply the FBT tax. They are not automatically exempt as people think.

There was a previous attempt to capture the 4-door ute craze under FBT that failed due to complexity and ability to gather data but times have changed and the ATO has released the Practical Compliance Guidelines for 4 door ute exemptions. The ATO is now data scraping historical data from State revenue so they are aware of all 4 door utes owned by business they are putting resources into gathering FBT data on utes so what you need to consider is set out below.

4 Doors UTE – FBT

- You will be exempt from FBT, if you fulfill the following:
  - It carries a load of 1 tonne or more.
  - The employer has a policy in place that limits private use of the vehicle and obtain assurance from your employee that their use is limited.
  - The MV had a GST inclusive value of less than $80,567.
- Non-Exempt 4 door utes
  - The load capacity is less than 1 tonne we need to know the make and model to see if it can be potentially exempt or logbook is require.

Limited Private Use of 4 door ute.

- The travel between home and work and any diversion does not exceed 2 kilometres.
- No more than 1,000km in total for each FBT year for multiple journeys taken for private purposes.
- No single return journey for wholly private purpose exceeds 200km.

Any breach of the above negates the exemption and if no logbook is available then FBT on statutory rate would apply for example an 80k MV would attract annual FBT tax of $16,000. If you wonder how they would possibly know the ATO is now utilising Artificial Intelligence to check camera footage so if your licence plate is identified on a trip down south by the average speed cameras and you are not on a work trip (they will ask for proof in an audit situation) you have breached the 3rd rule of no return trip over 200km so then if you do not have a logbook FBT will be applied at the statutory rate. There is no limitation on the ATO with FBT they can go back to when the MV was purchased. Our experience in this area is anyone who starts doing FBT on their Ute is usually left alone as there are many businesses not registered for FBT or lodging FBT returns which is an indicator to the ATO that it's the easier target so I would envisage those who choose to ignore FBT for the upcoming FBT return might be in line for an audit.

If you would like to discuss your exposure, please call Jose or Darren to discuss.

Payday Super

Australian employers have to pay superannuation guarantee contribution at the same time when paying employee's salary or wages which starts from 1 July 2026 with the rate of 12%. The fund must be received within 7 days from the payday. Failure to comply may lead to an additional interest charges and penalties. The interest charges that incurred from the late payments are not deductible.

Home Office / Work from Home (Fixed Rate)

There are changes to the claiming of home office expenses we can no longer use a rule of thumb of say 8 hours a week for 48 weeks you need to actually maintain records in case of an audit.

- Actual hours worked for the entire year are recorded in timesheet, logbook or diary.
- Your work relates to the employment duties and not merely checking emails.

Estimations are no longer accepted by ATO from 1 July 2025.

Can my SMSF Invest in Property?

Yes, an SMSF can invest in property and the lure of the 15% preferential tax rate on income during the accumulation phase and potentially no tax during retirement is a strong incentive for many SMSF trustees to consider property as part of their strategy.

SMSF can borrow for property under Limited recourse loans or utilising non geared unit trusts, complex areas that require guidance. Jose holds an RG 146 Licence which allows him to discuss the establishment of SMSF and if you are a suitable candidate carry out the establishment of an SMSF.

SMSF are not for everyone as there is strict rules that must be met so not everyone will be eligible to have an SMSF so a meeting with Jose is required to confirm eligibility based on a number of criteria.

Just because your grand scheme passes the PUB test it might not meet the SIS requirements.

Property Purchase

Currently we are seeing clients purchasing more property and, in most cases, calling on the day asking what entity to put it in. This is a complex decision in the correct entity vs the incorrect entity there is a vast tax difference for example to pay off an $800,000 property in the best structure will cost tax of $266,666 in the worst structure tax will be $709,434 a vast difference. There are other considerations like land tax to consider as well.

To use the correct entity, we may need to establish that entity which takes time. If you are considering buying a property its best to talk to us now, understand the best option for you and we can establish the entity in a timely manner at least 1 week may be required, longer for investing via a self-managed super fund.