



### **CGT and HIH Shares**

A shareholder who acquired HIH Insurance shares on or after 20 September 1985 can choose to make a capital loss equal to the reduced cost base of the share. This is under CGT event G3 that is about worthless shares. TD 2002/3

### **ATO supports penalties**

The ATO has advised that as the transitional period for implementing the new tax system is not yet over it will be extending its, supportive approaches to penalties, for 2001/02. Taxpayers who have made a genuine attempt to meet their obligations will have any penalties remitted in full unless there is clear evidence to the contrary. Taxpayers will still be liable for the general interest charge (GIC). The GIC is for tax debts that remain unpaid after they have become due and payable. It is tax deductible when it is incurred.

### **Penalties for Failure to lodge GST on time**

From 1 July 2002, FTL (Failure To Lodge) penalties are applied at the rate of \$110 for each period of 28 days or part thereof that the document is overdue, up to a maximum of \$550. Assessable

income or GST turnover of \$1 to \$20 million will pay double and for \$20million or more the penalty is 5 time.

### **Overpayment of Family Tax Benefits**

From mid January 2002, the Family Assistance Office will be writing to clients who have been overpaid Family Tax Benefit (FTB) or Child Care Benefit (CCB). The letters will provide details of correct entitlements, actual amounts received and any excess to be repaid with a due date for payment and payment options. Clients whose debts arose as the result of under-estimating their income may be eligible for the \$1,000 FTB waiver announced by the Government on 1 July 2001 and the waiver will be reflected in the details of the amount payable where applicable.

### **Super Payments taxed for those leaving Australia**

New amendments provide that a special tax will apply to superannuation payments made to persons who have permanently departed Australia (ie "departing Australia superannuation payments"), where the payment is made under circumstances specified in

the SIS Regulations and RSA Regulations.

The special tax will be withheld by the super fund and remitted to the ATO. It is intended that the circumstances specified in the above Regs will restrict these payments to those made to persons who entered Australia temporarily, on particular classes of visa, and have subsequently left Australia permanently. Similar payments made under the SSAA 1995 or by an exempt public sector superannuation scheme will also be subject to the special taxation arrangements. The amendments will apply to payments made on or after 1 July 2002.