

# RELEASE NOTES



Reckon APS Tax

Version 2018.5.0

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## Before You Begin

This document contains information on the changes made in Tax since the Reckon APS Tax 2018.4.1 release.

## Reference Numbers

Items in this document may be prefixed by a reference number. From time to time a Reckon staff member may advise a numeric reference to an outstanding issue or enhancement request. Once that change has been released, the release notes document will include the reference and an explanation of the change.

## Knowledge Article

For details of known issues refer to the MyAPS website.

## Important information

### ELS Lodgement cut-off dates

- ★ **Description:** By 30 September 2018, the gateway to lodge the return types listed below via ELS would no longer be available:
  - 2018 Leave Join Consolidated Group (EX)
  - 2018 Trustee Details (TD)
    - 2018 Tax File Number Information (TT)
    - 2018 Withholding and Payment Information (TW)
  
  - 2018 Client Update (CU)
    - Add/Remove Relationship (CUREL)
    - Client lodgement status (CURNN)
    - Client Address (CUADDR)
    - Client Details (CUDTL)
  
- ★ The above information can also be viewed on ATO webpage: [Practitioner lodgment service](#).
- ★ Therefore, these forms would be available as it is but in SBR method for APS Tax

### August 2018 SBR Specification

- ★ **Description:** APS Tax returns have been updated based on the 16 August 2018 ATO SBR Specification that affects the following return types or schedules:
  - Main Forms:
    - 2018 Trust Tax Return (TRT)
    - 2018 Local File and Master File (LCMSF)
    - 2018 Individual Income Tax Return (IITR)
  
  - Schedules:
    - 2018 International Dealings Schedule (IDS)
    - 2017 Work Related Expenses (WRE) Schedule
  
- ★ **Internal Reference:** AT-1246

## Closely Held Trusts Withholding (CHTWTHHLD) Reporting

- ★ **Description:** The Closely Held Trusts Withholding (CHTWTHHLD) in SBR is the equivalent of the Trustee Details (TD) return in ELS. The SBR specification have been applied to this form and therefore, would have no change on the form itself allowing continuous use.

The Trustee Details (TD) form is divided into two return types that can be used for reporting:

- Tax File Number Information (TT)
- Withholding and Payment Information (TW)

- ★ **Internal Reference:** AT-1010

## Tax Services Console

- ★ **Description:** To accommodate for the ELS cut-off for the Client Update services, this new console will be introduced to facilitate these changes.
- ★ Tax Service console is a Client service facility that would be able to send a request to ATO to receive the latest Client information as a response by which any required changes can be performed on-screen that would then be pushed onto a 2018 Client Update form for lodgement purposes of any noted changes such as.
  - Update Client Relationship (CUREL) – Assign or Remove Account
  - Update Address Details (CUADDR) – Addresses only (excludes email, phone no. etc.)
  - Update Client Details (CUDTL)
- ★ Client Update Return Not Required (CURNN) will be a separate form to be created in Tax Manager

## Reckon APS 2018 Trust Tax Return (TRT)

### SBR Error cannot be cleared

VR.ATO.TRT.432294

- ★ **Description:** The Assessment calculation code of beneficiary for this rule is for non-resident Non-Individual clients and yet the rule supplied was incorrect looking for an Individual Residential address. This was raised with ATO. The Technical Rule was restructured on the August 2018 SBR specification update.
- ★ **Internal Reference:** AT-657



## Reckon APS 2018 Individual Income Tax Return (IITR)

### Tax Losses incurred on Forestry managed investment scheme goes to NPP

- ★ **Support Reference:** 408122
- ★ **Description:** Initial decision pertaining Forestry Managed Investment Scheme (FMIS) losses was that it should be treated as a Primary Production loss but ATO has receded their decision regarding how Tax Losses is treated for Forestry Schemes losses thereafter.
- ★ If the FMIS constitutes the carrying on of a business, then it should be disclosed at the business income labels, Amounts disclosed at items 23 and D14 are for FMIS activities that do not constitute the carrying on of a business. Therefore, amounts at 23 and D14 do not affect the calculation of primary production losses, are not eligible for averaging for primary producers, and are not subject to the deferred non-commercial losses rules. The ATO will update their form instructions to make this clear.
- ★ This has now been updated so that the tax losses amount is appearing, as before, in the Tax Losses Worksheet on the Non-Primary Production.
- ★ **Internal Reference:** AT-1258

## Higher Education Support Legislation Amendment (Student Loan Sustainability) Bill 2018

- ★ **Description:** The Higher Education Support Legislation Amendment (Student Loan Sustainability) Bill 2018 has passed and received Royal Assent on 24 August. However, it now doesn't apply until the 2019/20 tax year. Therefore, it is no longer relevant for the 2018/19 year
- ★ Thus, the question about this Bill was removed from the Pending Legislation section
- ★ The PAYG instalments (for which we calculate the PAYG instalments as part of the 2017/18 tax return) are to be calculated (or recalculated – for clients who enabled this option on existing returns) to tally with the 2018/19 HELP, SSL, ABSTUDY SSL, TSL and SFSS repayment thresholds and rates.
- ★ **Internal Reference:** AT-1336

## Designated Infrastructure Project (DIP) update

- ★ **Description:** The Chief Executive Officer of Infrastructure Australia is responsible for approving requests for designation. The Commissioner would need to be notified that the Companies and fixed trusts entity are a DIP entity. This allows those entities to use the Long-term bond rate to uplift tax losses.
- ★ The Long-Term Bond Rate (LTBR) has been updated from the default value of 2.420% to 2.700% for 30 June balancers
- ★ The field is editable to allow users to override the rate especially for entities using Substituted Accounting Period (SAP) method
- ★ The rate is used to calculate the Tax Uplift factor for the Tax Losses Worksheet for prior years
- ★ **Internal Reference:** AT-1379

## Treasury Laws Amendment Bill 2018

### Accelerated Depreciation for Small Business Entities

- ★ **Description:** This is the Treasury Laws Amendment (Accelerated Depreciation for Small Business Entities) Bill 2018 which amends the tax law to extend by 12 months to 30 June 2019 for the period during which small business entities can access expanded accelerated depreciation rules. For 2018 returns, it affects asset when first used after 30 June 2018 and the calculation of the SBE pool decline in value where the balance is between \$1,000 and \$20,000 and the taxpayer is a late balancing entity.
- ★ This pertains to the General Small Business Pool where the Value of the Asset is calculated for the Decline in value for this year.
- ★ This is applicable for Company, Individual, Partnership, and Trust Tax Returns
- ★ **Internal Reference:** AT-1406

## Improvement and/or Enhancements

### Reckon APS 2018 Individual Income Tax Return (IITR)

#### Updated ELD for RFC Forms

- ✓ **Support Reference:** 408441
- ✓ **Description:** The ELD section for the 2018 Application for refund of franking credits for individuals was printing the incorrect income year on the Part A Electronic Lodgement Declaration. It was found that the Electronic Lodgement Declaration was updated based on the new ATO Taxpayer Declaration Guide. This has been corrected.
- ✓ **Internal Reference:** AT-1192

#### Updated the condition for the Medicare Levy calculation

- ✓ **Description:** An update on the Medicare Levy calculation was reviewed for the scenario when the taxpayer's spouse receives pension income, but was not old enough for the age pension, and is not entitled to the SAPTO due to high levels of income.
- ✓ **Internal Reference:** AT-1381

#### Hyperlink to open the additional PHI form

- ★ **Description:** The Paper Form (Facsimile Copy) allows the display of up to 4 Private Health Insurance (PHI) policies. When a client adds more, the only way to see those is by printing or previewing the report. Therefore, a hyperlink is added on the XAML Form to allow ease of opening that Additional page for the PHI overflow for review or use.
- ★ **Internal Reference:** AT-1026

### Reckon APS 2018 Trust Tax Return (TRT)

#### Early stage investors in venture capital limited partnerships tax offset can be overstated

- ✓ **Description:** The claim for early stage investor venture capital limited partnerships tax offset in trusts can be overstated where some income is not distributed. This is for both 2017 and 2018.
- ✓ **Internal Reference:** AT-1400

## Reckon APS 2018 Closely Held Trusts Withholding (CHTWTHHLD) Reporting

### Default lodgement method to SBR

- ★ **Description:** With the ELS cut-off date coming, the ELS Lodgement method option was removed and was set to default to SBR.
- ★ **Internal Reference:** AT-1178

## Reckon APS 2018 Client Update

### Client Update Relationships (CUREL)

Changed heading description for Manage client relationship

- ★ **Description:** The heading description to identify the Client Relationship management was updated to display if it is for the section of Add Client Relationship or Remove Client Relationship (add).
- ★ **Internal Reference:** AT-1297

### Client Update Address (CUADDR)

Suburb Text Box adjusted to fit characters

- ★ **Description:** The Suburb field for the Postal, Business, and Residential address accepts 38 characters. When printed, the characters were not readable. This has now been extended and accommodate all the characters.
- ★ **Internal Reference:** AT-1303

## Reckon APS 2018 Local File and Master File (LCMSF)

### Added a Reckon Warning to remind entities eligible for SBE Offset

- ★ **Description:** A Reckon Warning was added to remind clients to provide any Net small business entity income whenever the taxpayer is eligible for the small business entity tax offset to be able to claim the \$1,000 tax offset where turnover is less than 10 million.
- ★ **Internal Reference:** AT-1144

## Extra documentations added for reference

- ★ **Description:** Aside from the Release Notes documentation, other extra documentations were added for client use that can be accessed from the Help section under References tab:
  - Live Validation
  - Reckon APS Tax Lodgement Codes Guide
  - Previous Release Notes
  - Tax Service Console – Client Services for Client Update

★ **Internal Reference:** AT-1124

## Issues Addressed

### Reckon APS 2018 Individual Income Tax Return (IITR)

#### Reportable Fringe Benefits labels under spouse income were not printing

- ✓ **Support Reference:** 403884
- ✓ **Description:** The Description for Label R and S for the Reportable Fringe Benefit amount were not printing for the Spouse income in the Client Copy with or without values nor when selecting the Print option to include active or inactive items. This has been corrected on both 2017 and 2018 Individual forms to display:
  - Label R - From employers exempt from FBT under section 57A of the FBTA 1986
  - Label S - From employers not exempt from FBT under section 57A of the FBTA 1986
- ✓ **Internal Reference:** AT-1191

#### SBR Errors firing incorrectly

VR.ATO.IITR.000001

- ✓ **Support Reference:** 408656
- ✓ **Description:** The only acceptable 'Care of' reference allowed to be used on the Address Line 1 of the Current postal address was 'C/- ', however, the SBR Error was firing even when it was valid. This has been corrected.
- ✓ **Internal Reference:** AT-1212

VR.ATO.IITR.300101

- ✓ **Support Reference:** 409302
- ✓ **Description:** The sum of all the Income does not seem to include the Assessable amount from capped defined benefit income streams as part of the Estimated total income. This has been corrected.
- ✓ **Internal Reference:** AT-1247

#### Lump Sum rebate is calculating differently with NOA

- ✓ **Support Reference:** 408117
- ✓ **Description:** A variance was found between the NOA and APS Tax with the calculation of the Lump sum rebate where the taxpayer has received Lump sum payments. It was identified that it was including the Temporary Budget Repair Levy (TBRL) resulting on the tax on the lump sum to be higher. This has been corrected.
- ✓ **Internal Reference:** AT-1224

## The Capital Gains Discount Calculation is printing when it shouldn't

- ✓ **Support Reference:** 409046
- ✓ **Description:** In the Client Copy printing, when the Worksheet is selected, it previews and prints the Capital Gains Discount Calculation page even when it is blank or has no data. This has been corrected.
- ✓ **Internal Reference:** AT-1226

## Superannuation transfer balance cap always prints under Additional Information

- ✓ **Support Reference:** 406716
- ✓ **Description:** The Superannuation Transfer Balance Cap field with the amount \$1,6000,000 always prints under Additional Information regardless if it is relevant or not for the return. This has been corrected.
- ✓ **Internal Reference:** AT-1236

## SBR Error due to Business Income details not present on the Main Form

VR.ATO.IITR.310018

- ✓ **Support Reference:** 410793
- ✓ **Description:** Where a PSI business and a non-PSI business exist, using the PSI as the Main Business does not push the details such as the Description and Address fields on the Summary and Main Form when the PSI is set as the Main Business causing the SBR error to fire. This has been corrected.
- ✓ **Internal Reference:** AT-1375

## Item 7's Assessable amount from capped defined benefit income stream is not printing

- ✓ **Support Reference:** 409852
- ✓ **Description:** The Assessable amount from capped defined benefit income stream with Label M on item 7 Australian annuities and superannuation income streams was not appearing in the Review Summary window and was not printing as well. This has been corrected.
- ✓ **Internal Reference:** AT-1376

## Calculated Tax Offset is not present when Tax Offset in the Prefill is zero

- ✓ **Support Reference:** 409869
- ✓ **Description:** If the Pre-fill XML file contains a Tax Offset Amount of zero, then it will trigger an answer of YES to the question Does the PAYG payment summary include the tax offset amount? which causes the Calculated tax offset to display as blank. This has been corrected.
- ✓ **Internal Reference:** AT-1394

## Reckon APS 2018 Self-Managed Superannuation Fund Annual Return (SMSFAR)

### Discrepancy between the questions on Item 10

- ✓ **Description:** There is a different question at item '10 Exempt current pension income' on the paper form compared to the question in APS Tax where it asks, "Did the fund pay retirement phase superannuation income stream benefits to one or more members in the income year?". This has been clarified with ATO and corrected for the pension fields in the members' statement area is now opened when the question is purely about retirement phase income streams to allow for other pensions to be entered.
- ✓ **Internal Reference:** AT-1233

## Reckon APS 2018 Company Tax Return (CTR)

### Reckon Notification is firing when Shareholder loan has been repaid

AN9022

- ✓ **Description:** The minimum repayment for a Shareholder loan is calculated as if the repayment is to be made on the last day of the year of income. In the last year of a 7-year loan, the notification fires if the loan is repaid before the last date (and so a lesser repayment is required). This notification should not fire if the loan has been repaid. This has been corrected.
- ✓ **Internal Reference:** AT-1377

### The Diverted profits tax section is printing even when it is blank

- ✓ **Support Reference:** 409801
- ✓ **Description:** In the Additional Information worksheet, if PAYG Instalments were entered then printed, then the Diverted profits tax section is also printing even when it is blank when it shouldn't. This has been corrected.
- ✓ **Internal Reference:** AT-1392

## Reckon APS 2017 Company Tax Return (CTR)

### Tax Agent's Declaration prints at the end of Calculation statement

- ✓ **Support Reference:** 391737
- ✓ **Description:** The Tax Agent's Declaration prints in the Client Copy at the end of Calculation statement for 2017 Company forms even when the print option to Include client copy declaration is not set. This has been corrected.
- ✓ **Internal Reference:** AT-222



## Reckon APS 2018 Fringe Benefit Tax (FBT) Return

### SBR Error only firing during Prelodge

CMN.ATO.GEN.410191

- ✓ **Description:** The Prelodge response from ATO error is firing due to a missing Element in the Instance document for the Country code that must be present for overseas address. This has been corrected.
- ✓ **Internal Reference:** AT-747

## Reckon APS 2018 Trust Tax Return for Attribution Managed Investments (AMIT)

The CGTS for AMIT Classes is only printing for the first Multi-class AMIT

- ✓ **Support Reference:** 398791
- ✓ **Description:** During Printing, Export, or Preview, the AMIT Schedule prints all the multi-class AMIT, however, for the Capital Gains Tax Schedule (CGTS), it only prints for the first class. This has been corrected on both the 2017 and 2018 AMIT forms.
- ✓ **Internal Reference:** AT-951

## Reckon APS 2018 Local/Master File (LCMSF)

The Local file part A details section is not printing

- ✓ **Support Reference:** 410486
- ✓ **Description:** A 2018 LCMSF with several Local files – Part A details were not previewing, printing, or able to be exported. This has been corrected.
- ✓ **Internal Reference:** AT-1374

## Consolidated Groups Notification of Formation and Member Entrance/Exit (CGNFT)

### SBR Error firing on read-only fields and shouldn't

CMN.ATO.CGNFT.000082

- ✓ **Support Reference:** 399292
- ✓ **Description:** The number of Consolidation Party Purchasing Entity contexts must not exceed 1 for each Consolidation Party context. There appears to be an entity who has both joined and left, and therefore, 2 Context's with the same TFN are present. This has been corrected.
- ✓ **Internal Reference:** AT-404

## International Dealings Schedule (IDS)

### SBR Error only firing during Prelodge

CMN.ATO.IDS.440004

- ✓ **Support Reference:** 404260
- ✓ **Description:** The Prelodge response from ATO error is firing if there is a 'Yes' response to 'Did you have dealings with international related parties, apart from dealings with related parties located in specified countries?' and the Non-specified country code and Activity code are present, but an Expenditure or Revenue are missing. This fires the SBR Error only during Prelodge or Lodgement. This has been corrected.
- ✓ **Internal Reference:** AT-1084

## Other General Issues

### Asset: Pool Allocation

Year of allocation is not defaulting to the return year

- ✓ **Support Reference:** 407680
- ✓ **Description:** For any 2018 return, when an Asset is created with a Pool Allocation set as a General small business pool for the Capital Allowance, the default value for the Year of allocation goes to 2017 but should be 2018. This has been corrected.
- ✓ **Internal Reference:** AT-1232

## Roll-Forward

Exception has been thrown by the target of an invocation

- ✓ **Support Reference:** 408585
- ✓ **Description:** An Exception error is experienced with rolling over a Company return seemingly caused by the Decline method for Assets and when not present, causes the issue. This has been corrected to be ignored when it is blank.
- ✓ **Internal Reference:** AT-1285