

Aggregated Turnover Grouping Overview – August 2022
Tax Astute Training Recording



Phone: 03 9646 2002
Email: info@taxastute.com.au
www.taxastute.com.au

© Tax Astute P/L (ATF Tax Astute Trust) 2022

1

1

Copyright and Disclaimer

© Tax Astute Pty Ltd (as Trustee for Tax Astute Trust) 2022

This training material is subject to copyright and may not be reproduced, reused or adapted in any manner without the consent of Tax Astute Pty Ltd, except in accordance with the *Copyright Act 1968* (Cth) for bona fide study purposes.

This material has been prepared with a view to maximising accuracy and currency, but is provided for personal educational purposes only and must not be relied on as legal, financial or other type of advice. Tax Astute Pty Ltd excludes any and all liability arising directly or indirectly from the use of these Training Materials and your training presentation.



© Tax Astute P/L (ATF Tax Astute Trust) 2022

2

2

Aggregated Turnover (AT) Grouping Overview

Key Issues Include:

- Increasingly relevant test which **GROUPS Business Ordinary Income** for a Test Entity and relevant Connected/Affiliate Entities to access numerous tax concessions
- **Starting point = s 328-115 ITAA 1997 Small Business Entity provisions** - originally limited to small business but can now extend to up to \$5 Billion AT groups
- Often based on share holding, unit holding or discretionary trust distributions (but special timing, control and other rules can apply)

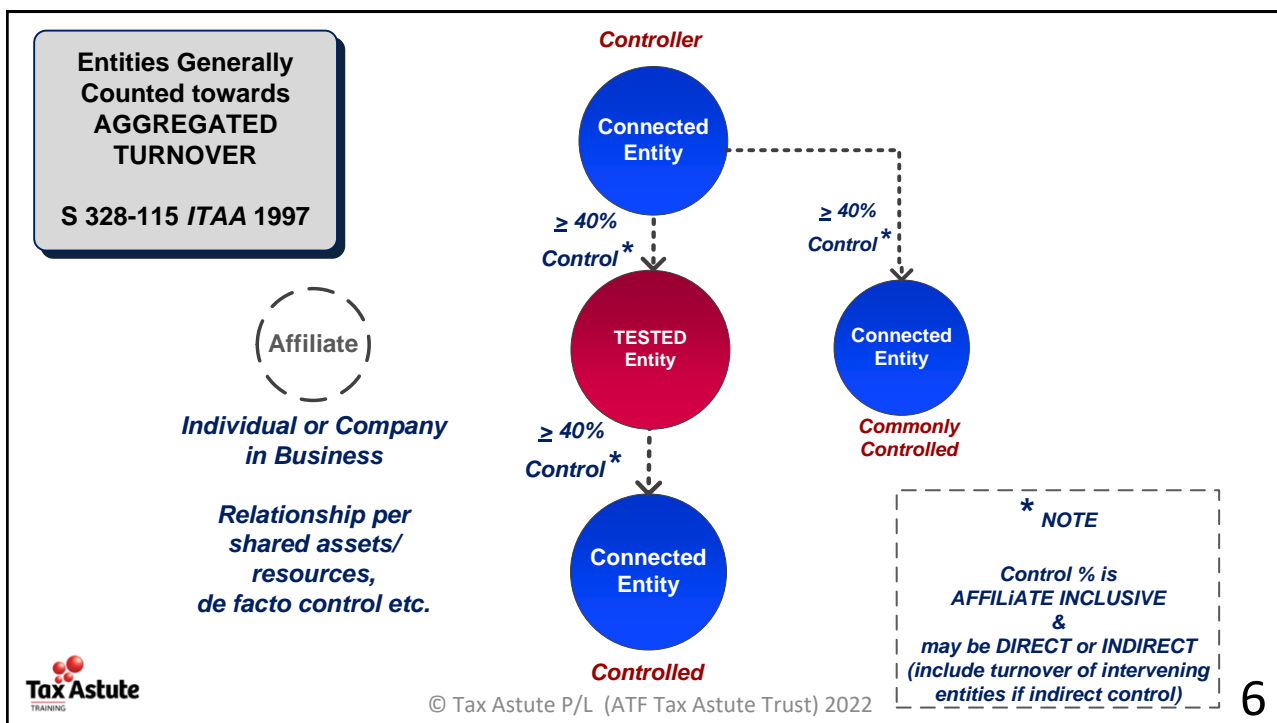
Common Aggregated Turnover (AT) Thresholds (non-exhaustive)

Relevant AT Threshold	Relevant Tax Concession
< \$2 Million	Small Business CGT concessions
< \$5 Million	Small Business Tax Offset
< \$10 Million	Some Small Business Entity concessions
< \$20 Million	Research & Development refundable offset and higher rate
< \$50 Million	Most Small-medium Business Concessions and lower Corporate Tax Rate access

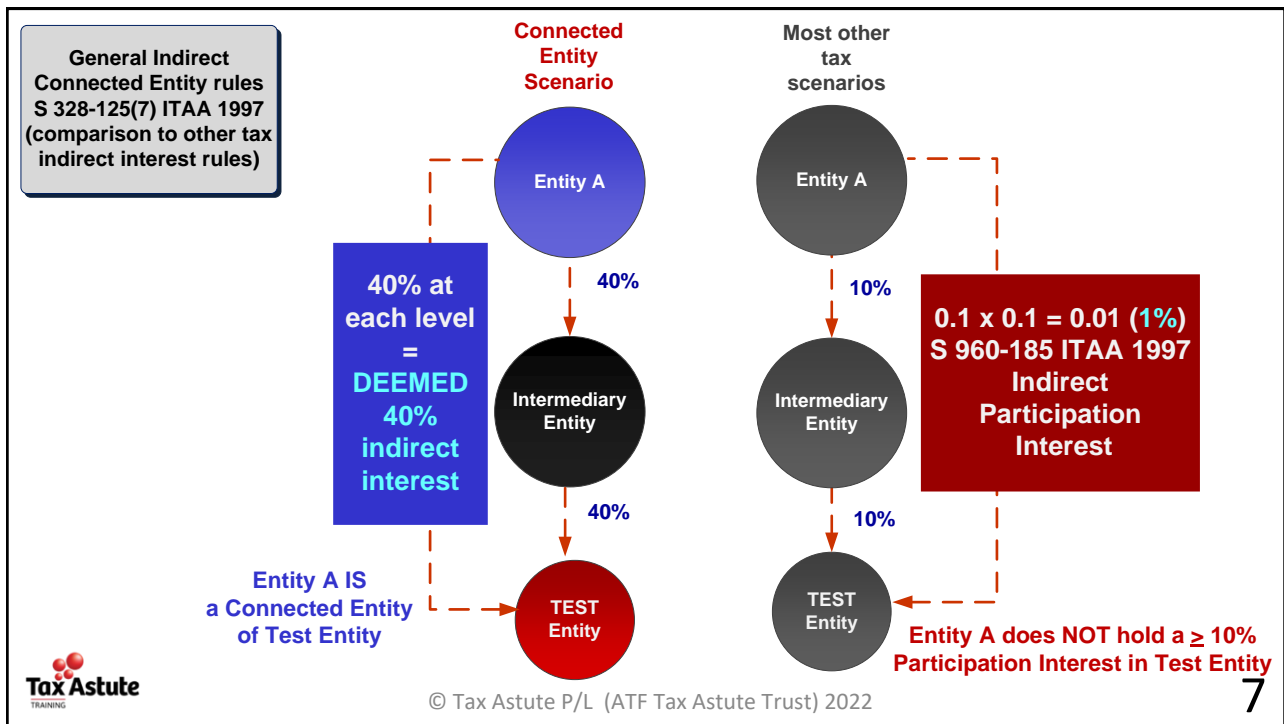
Common Aggregated Turnover (AT) Thresholds (non-exhaustive)	
Relevant AT Threshold	Relevant Tax Concession
< \$100 Million	Exclusion from compulsory application of Taxation of Financial Arrangements (TOFA) provisions (most entities)
< \$500M	Access to former 50% Backing Business Incentive and < \$150,000 Instant Asset Write-off Depreciation measures
< \$5 Billion	Access to current Temporary Full Expensing and Loss Carry Back Offset concessions (up to 30/6/23)

Tax Astute TRAINING © Tax Astute P/L (ATF Tax Astute Trust) 2022 5

5



6



7

Aggregated Turnover (AT) Overview

Further issues include:

- Note overview approach here – additional complex rules/adjustments required for different purposes/concessions in practice (i.e. always check legislation, rulings etc.)
- Different to Significant Global Entity (SGE) & other grouping rules
- See ATO page '[Aggregation](#)' and '[Affiliates](#)' for overview of key issues and recent focus on larger/international groups (e.g. [TD 2021/7](#) and [TD 2022/5](#), [TD 2022/6](#) and [TD 2022/7](#))

© Tax Astute P/L (ATF Tax Astute Trust) 2022

8

8

**Thankyou for Attending
Tax Astute Training
– any questions to
info@taxastute.com.au**



© Tax Astute P/L (ATF Tax Astute Trust) 2022