



THE ATO AND NFPs

The new situation

DECLARATION

- This is information I gleaned from attendance at a seminar at which the ATOs Assistant Commissioner NFPs spoke about the taxation situation for NFPs.
- **IT IS NOT TAXATION ADVICE AND MUST NOT BE CONSIDERED AS SUCH.**
- NHMA suggest that you talk to your accountant (if you have one) or the ATO NFP helpline on 1300 130 248 with any queries or questions you have before filing a return.
- Returns are due by 15TH May 2025.
- Richard Bird , Treasurer, NHMA

TAX SEMINAR

ORGANISED BY FEDERATION OF HISTORIC CAR CLUBS SA

ATTENDED BY THE ATOs ASSISTANT COMMISSIONER FOR NFPs
*"YOU WILL ALL BE SURPRISED TO KNOW THAT BY THE END OF TODAY YOU
WILL KNOW THAT YOU ARE ALL TAXABLE NFPs"*

*Many people have been under the impression that all NFPs are tax exempt.
That is not true and most clubs fall into the category of Taxable NFPs.*



CLASSES OF NFPS

- CHARITIES

VERY STRICT RULES AND VERY COMPLEX PROCESS TO BE ACCEPTED

- EXEMPT NFPS

8 STRICTLY DEFINED CATEGORIES

- TAXABLE NFPS

ALL MOTORING AND HISTORIC MACHINERY CLUBS (AND MANY OTHERS)

NOT ALL BAD NEWS!

- “MUTUALITY” EXCLUDES MOST INCOME AND EXPENDITURE
 - MUTUALITY MEANS THAT AN ORGANISATION CANNOT DERIVE INCOME FROM ITSELF
 - ALL INCOME AND EXPENDITURE RELATED TO MEMBERS IS EXCLUDED
 - members fees, club raffles, expenses of running the club
 - NON-MEMBER ACTIVITIES SUCH AS INTEREST ARE TAXABLE!
- “PROPORTIONALITY” APPLIES TO INCOME AND EXPENSES THAT ARE MIXED
 - You have to decide the split between members and non-members
 - E.G. at rallies how much of the income came from members and how much from the public?
 - It is not clear whether NRMA members from other clubs are included under mutuality

OTHER ISSUES

- You must get your ABN details up to date to be able to deal with the ATO
- You must keep your ABN details up to date every time there is a change of office bearers
- You will have to file a tax return every year – EVEN IF YOU DON'T MAKE A PROFIT

- The tax rates are:

Up to \$416 profit

Nil

\$417 – 915

55% of profit over \$416

\$916 and above

30% of all taxable income

These rates have not changed since 1986!

- This is not new. It has been the situation for decades but NFPs have not been compliant so the ATO has decided to sort it out.