NEWS UPDATE
MAY 2026

This month we cover several practical updates that will matter for businesses and individuals as we head towards the financial year-end. The ATO's revised EV home-charging rate delivers more generous deductions for work-related car claims and can impact on FBT calculations too. The Federal Government has also released targeted tax relief to help businesses hit by Middle East–driven fuel disruptions, with new flexibility around payment plans, interest remissions and compliance activity. We look at the ATO's new "verify call" feature, a simple but powerful tool that lets you instantly confirm whether an ATO caller is genuine — a major safeguard as scam activity peaks. Finally, we outline the upcoming increases to superannuation contribution caps from 1 July 2026 and what they mean for optimising concessional and non-concessional contribution strategies.

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ATO Updates EV Home Charging Rate: What It Means for You

The ATO has announced a significant update that will affect anyone using electric vehicles (EVs) or plug-in hybrid electric vehicles (PHEVs) for work or fleet purposes and where the vehicle is charged at the relevant individual's home.

From 1 April 2026 (for FBT purposes) or from 1 July 2026 (for income tax purposes), the ATO's

standard home-charging electricity rate will increase from 4.20 cents per kilometre to 5.47 s

This rate acts as a simple, ATO-approved shortcut when your household electricity bill doesn't separately show EV-charging usage. For example, instead of tracking kilowatt hours or installing specialised equipment, you can simply apply the cents-per-kilometre rate to the number of kilometres travelled by the vehicle to determine the cost of electricity used in the vehicle.

The update reflects rising electricity costs and gives both businesses and individuals a more realistic amount for home charging costs.

Employers

If you provide EVs or PHEVs to employees — whether through a novated lease, company vehicle, or salary packaging arrangement — the higher rate increases the electricity cost attributed to the vehicle. In practice, this can:

- Initially increase the taxable value of the benefit when using the operating cost method.
- Increase employee "recipient contributions", which directly lowers your FBT bill.
- Impact on the calculation of reportable fringe benefits amounts.

Individuals claiming work-related car expenses

If you use the logbook method to claim deductions, you can apply the new rate to the business-use portion of kilometres travelled from the start of the 2026–27 year onwards. Older years (back to 2022) continue to use the 4.20-cent rate.

How to make the most of the Guideline

A few basic records are all the ATO requires:

- Odometer readings — ideally at the start and end of each FBT or income year.
- A valid logbook showing business vs private travel (if using the operating cost/logbook method).
- At least one electricity bill to demonstrate that you actually incur home electricity costs.
- For PHEVs — keep petrol receipts. You must separately calculate the petrol component using the manufacturer's hybrid-mode fuel consumption figure and apply the ATO home-charging rate only to the electric kilometres.

Tip: Many EVs now report the exact percentage of charging done at home vs public stations. Using this data makes claims more accurate and can potentially increase deductions.

An example

An employee owns their own EV and drives 25,000km in 2026–27 for work purposes.

Home-charging cost = 25,000 × 5.47c = $1,367.50 (up from $1,050).

That extra $317.50 can meaningfully reduce the employee's taxable income for the 2026-27 income year.

What should you do now?

- Ensure the existing lower rate is used when applying the FBT rules for the year ended 31 March 2026 and when calculating deductions for the income year that ends on 30 June 2026.
- Make a note to use the updated rate for the current FBT year and the income year starting on 1 July 2026.

Electric vehicle adoption is accelerating, and the updated ATO rate will improve the tax outcomes for many taxpayers, while keeping compliance simple. If you operate a fleet, offer salary packaging, or claim car expenses personally,

now is a great time to model the impact. Our team can help you run the numbers and ensure you receive every benefit you're entitled to.

Practical Help for Businesses Impacted by Fuel Disruptions

With global fuel supply chains still under strain from conflict in the Middle East, many Australian businesses are feeling the impact through higher operating costs, delayed deliveries and pressure on cash flow.

To help stabilise affected sectors, Treasurer Jim Chalmers and the ATO have announced a package designed to give businesses immediate breathing room and reduce administrative burden during a volatile period.

Importantly, this is not a broad stimulus program. The assistance is practical, temporary and delivered directly through the ATO. If your business has been affected by fuel supply issues—whether through higher input costs, transport delays or reduced margins—the ATO now has discretion to offer flexible, case-by-case support.

What relief is available?

1. More flexible payment plans

The ATO can help you spread existing tax debts over a manageable timeframe. This keeps cash in your business for wages, stock purchases, fleet costs and other essential operations.

2. Remission of interest and penalties

Where payment delays are linked to fuel disruptions, the ATO can cancel general interest charges (GIC) and late-payment penalties. This prevents a temporary cash-flow issue from escalating into a much larger debt.

3. Easier variation of PAYG instalments

If revenue has dropped due to increased fuel expenses or supply slowdowns, you can reduce your quarterly PAYG instalments so they reflect your current trading reality. This can create meaningful short-term cash savings.

4. Reduced compliance activity

For the most affected industries, the ATO is temporarily scaling back audits and review activity. This allows you to focus on operations, staffing and customer commitments rather than responding to information requests.

5. Temporary pause on debt recovery

Where appropriate, the ATO may pause recovery action while your business stabilises. This can be critical for businesses facing short-term pressures that are outside their control.

How to access the relief

You don't have to deal with the ATO on your own. We can help with assessing your situation, determining which measures might apply and lodge the necessary submissions.

In many cases, a short explanation of how fuel disruptions have affected your business—supported by basic financial information—is enough to start the process.

At this stage the ATO fuel response payment plan is available by application until 30 June 2026.

Why this matters commercially

For businesses in transport, logistics, manufacturing, agriculture and retail, fuel volatility can quickly erode profitability. The Treasurer's package is designed to improve short-term liquidity so you can:

- maintain staffing and service levels
- manage supplier payments
- adjust pricing strategies
- continue operating without the added stress of compounding tax liabilities.

Put simply, cash-flow relief now can help position your business to take advantage of improved conditions later.

Take action early

If your business has been feeling the strain of higher fuel costs or disrupted supply, reach out to our team as soon as possible. We can review your position, identify which forms of support apply and manage the ATO process from start to finish.

For official information, see the Treasurer's announcement and ATO fuel response.

New ATO 'Verify Call' Feature: Instant Protection Against Phone Scams

As tax time approaches, so does the annual spike in scam calls pretending to be from the ATO. These calls are becoming increasingly convincing — and increasingly costly for those who get caught by them.

The ATO has now launched a simple, powerful solution: the 'verify call' feature in the free ATO app. Rolled out in early April 2026, it allows you to confirm — instantly and in real time — whether the person calling you is genuinely from the ATO.

No guesswork. No pressure. No risk.

How the new feature works

If you receive a call from someone claiming to be from the ATO, you can verify it in under 30 seconds:

1. Open the ATO app and log in.
2. Tap 'Verify Call' on the main screen.
3. Within moments, you'll receive a clear notification confirming whether the call is genuine.

If you don't receive a confirmation, hang up immediately — it's almost certainly a scam.

This tool gives taxpayers a practical, real-time defence against impersonation scams, which are now one of the most common fraud attempts in Australia. In July 2025 alone, the ATO received nearly 7,500 impersonation scam reports, and numbers always surge between April and July.

Scammers don't just waste your time — they can redirect refunds, access your superannuation, or steal personal information that takes months (and sometimes thousands of dollars) to fix. That's why this new feature is such welcome relief.

Why this matters for individuals and businesses

Most scam calls succeed because they create urgency — "pay now", "confirm your identity", "your tax file number is compromised". The verify call tool eliminates that pressure entirely. It lets you check the caller before you share any information.

Better still, it requires no special technology. If you have a smartphone and the ATO app installed, you're ready to go. Setting it up takes just a couple of minutes.

Add one more layer of protection: Strengthen your myID

For maximum security, we strongly recommend ensuring your myID (digital identity) is set to the highest identity-strength level, known as 'Strong'. This makes it significantly harder for

anyone else to access your tax or super information online.

What you should do now

To get the benefits straight away:

- Download or update the ATO app (available on Apple and Android).
- Register your device within the app.
- Check your myID settings in myGov and upgrade to 'Strong' if you haven't already.
- Practise using the verify call feature once, so you're confident before tax time arrives.

These are simple steps that can prevent major financial and administrative headaches.

We're here to help

This is one of the most practical security upgrades the ATO has delivered in years — and it genuinely makes life easier for taxpayers. Now is the perfect time to get set up, stay protected, and make this tax season as stress-free as possible.

If you ever have doubts about a call, email or message claiming to be from the ATO, contact us first. We can quickly check its validity through official channels.

Got questions or need help with the ATO app? Just reach out to us. We're here to support you — securely, efficiently, and always in your best interests.

Superannuation contribution caps to increase from 1 July 2026

Following the recent release of the December 2025 quarter average weekly ordinary times earnings (AWOTE) the annual concessional contribution (CC) cap will increase from $30,000 to $32,500 from 1 July 2026. The annual non-concessional contribution (NCC) cap will also increase to $130,000.

When considering contribution opportunities some individuals may have higher caps due to the carry forward CC rules or the NCC bring forward rules, while others with higher super balances may have a reduced or nil NCC cap. This will depend on your total superannuation balance (TSB) at the prior 30 June.

Concessional contributions

Concessional contributions are pre-tax contributions and can include compulsory superannuation guarantee (SG), voluntary salary sacrifice contributions and personal deductible contributions.

If your SG contributions are below your cap, you may be able to reduce your annual tax bill by making either salary sacrifice or personal deductible contributions. You may also have access to any unused concessional cap from the prior 5 years if your TSB was below $500,000 on the prior 30 June.

Non-concessional contributions

Non-concessional contributions are post-tax contributions. Although there typically isn't an

immediate tax saving on NCCs the superannuation accumulation (pre-retirement) tax rate of 15% is typically lower than many people's marginal tax rate and the tax rate on superannuation earnings and drawdowns may be tax-free in retirement (subject to a pension transfer balance cap of $2,100,000 from 1 July 2026).

It can also be possible to bring forward 2 years of your NCC contribution cap and contribute 3 years at one time ($390,000 from 1 July 2026). However, the rules are complex and your TSB and any prior NCC contributions in the current and prior two financial years need to be considered.

There may be NCC opportunities this financial year if your TSB was below $2,000,000 on 30 June 2025.

If you would like to understand how superannuation contributions may reduce your current and future tax bill, please reach out to your tax or financial adviser.