



Annual Tax Time

Greetings from All Accounting Matters!

We hope our clients have managed to stay well and navigate the challenges of the Covid -19 pandemic.

Tax time is fast approaching. Our annual email is a way of giving you a brief overview of things to consider and details you may find helpful during tax time. Again, we thank all our clients for your loyalty during the past year and look forward to working with you again in the next financial year.

For **individual tax returns**, we will be **offering office appointments as well as phone appointments** to assist those clients who are unable to attend the office.

Working hours will be extended for the period July 2022–September 2022 and will be as follows:

<i>Monday, Tuesday, Wednesday and Friday</i>	<i>8.30am to 5.30pm</i>
<i>Thursday</i>	<i>8.30am to 7.00pm</i>
<i>Saturdays</i>	<i>By Appointment only</i>

To book your spot to see Kerryn or Kylie please phone our office on **(02) 4648 1628**.

Individual Tax Returns:

The government has not only decided to continue with the Low and Middle Income Tax Offset (LAMITO) for 2022 tax returns but has increased the amount to \$1,500. This means the full \$1,500 offset is available for incomes over \$48000 and lower than \$90000! If your income falls below \$48000 or above \$90,000 up to \$126,000 limit you will receive a pro-rated amount of the offset.

Income

Remember all Income Statements / Payment Summaries will be provided through the ATO so you don't need to bring them along. If you receive an allowance it will help to bring your last payslip. Still check your interest received on bank accounts or share dividends received as it is assessable income. ATO will only have information once your employer has lodged your statements so we cannot complete returns until this happens.

Also, ATO are data matching Overseas investment income and Crypto Currency Investments!!

Information for Individuals

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Medicare Levy Surcharge Thresholds

Singles \$ 90,000
Couples \$180,000

HECS Repayments Start at \$47,014 at 1% of Taxable Income

2022 Tax Rates

\$0-\$18,200	Nil
\$18201-\$45000	19.0 %
\$45001-\$120000	32.5%
\$120001-\$180000	37.0%
\$180001+	45.0%
plus	(Medicare levy of 2%)

Expenses

Under an Audit, substantiation is the only way you will keep your deductions. If you claim items like Tools, Resources, Internet/Phone, stationary or other work deductions make sure you have your receipts or a 4 week diary evidence of use.

If you have allowable car travel or overnight travel claims, make sure you keep a diary showing kilometers travelled for work or study or you have your 12-week logbook and if overnight travel keep note of your days away.

Rental Interest claims are a target for the ATO again this year so make sure you have all your loan statements available and identify any personal drawings made that affect your interest claim.

Centrelink payments are being data matched so if you received any make sure we are aware of them for your tax return.

COVID -19

Adjusted claims for those who have had to work from home this financial year due to covid are still available. We have an easy hourly rate available, or you can use actual expenses. For those using the Covid rate, we will need to know **dates and hours per day worked** from home. This rate is only available if work attendance changed due to Covid -19.

For further information on deductions, see our website [LINKS](#) page for occupation specific general deductions on our website <https://www.allaccountingmatters.com.au/>

Capital Gains

[Capital Gains Tax](#)

If you have sold shares, property, or any other asset **(including cryptocurrency)** during the 2022 financial year make sure you advise us so we can determine if you need to declare it in your personal tax return.

If you have sold/traded cryptocurrency during the 2022 financial year you can use a cryptocurrency software called Koinly. Koinly tracks your capital gains and losses and provides reports needed for your tax return.

Rental Property

[Rental Property Deductions](#)

You must be able to substantiate all your deductions such as loan interest, repairs and maintenance, holiday letting and depreciation.

The ATO are still targeting repair verses improvements and watching interest claims when using the loan for private drawdowns.

Online Hobbies & Business

Quick Info

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From 1 July 2022

**SGC for employees
increases to 10.5%**

**Concessional
Super Limit
\$27,500**

**Company Tax
Rate continues at
25%**

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From 1 July 2021

**SGC for employees
increased to 10%**

**Concessional
Super limit
increased to
\$27500**

**Company Tax Rate
changed to 25%**

The ATO are aware that many individuals are establishing home or online web businesses. Make sure you understand your tax obligations in relation to business/hobby sales over \$12000 and expenses that relate to these earnings. We can help you understand if you might be a target.

Superannuation Contributions

[Personal Super Contributions](#)

If you have made after tax personal contributions to your super fund you may be eligible to claim a deduction in your tax return. Make sure you check with your Super fund first then fill in the Notice of Intent to claim form and have the form ready to provide to us when we do your return.

Business Tax Hotspots:

Single Touch Payroll (STP) Phase 2

[STP Phase 2](#)

STP Phase 2 is an expansion of the ATO's payroll reporting system. Under this expansion, you'll report additional information to the ATO and clarify the payments you make to your employees. STP Phase 2 will reduce your reporting burden if you currently report to multiple government agencies.

The mandatory start date was 1st January 2022.

Your payroll software will prompt you to make the necessary changes. If you require any assistance please contact our office.

Data matching is here to stay!

Annual Payment Summaries (now Income Statements)

If you have had employees for the 2022 financial year you will need to lodge with the ATO your finalisation for your staff by **14 July 2022**. If you would like AAM to prepare them, make sure we have information in the office as soon as your last pay run is made.

If you use STP compliant software and lodge wages yourself, make sure you finalise the Income Statements within the software.

Contractor Taxable Payment Report

[Taxable Payments Annual Report](#)

For businesses in Construction and Building, Courier and Road Freight Services, IT services, Security and Surveillance and Cleaning industries your reports will be due on 28 August 2022. There will be fines imposed if these lodgments are not met so be prepared and have all the necessary information ready.

Key dates for Business

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Monthly BAS is
due on the **21st**
day of the
following month

14 July, 2022
Employers need to
lodge Annual
Finalisation
Reports through
their STP software

28 July 2022
Employee Super
Due for June 2022
Quarter

28 July 2022
Quarter 4
(April, May, June)
BAS

28 August 2022
Taxable payments
annual report due

Contractor and Employee Super Obligations

The ATO are targeting late paid super and super not paid for sole trader contractors. It is a timely reminder you are obliged to know your liability obligations. Just make sure you pay your super by 28th of July and then 28th of every month after your BAS quarter.

If you pay contractors mainly for their labour, they are deemed employees and you must pay their super.

If your super is paid late, a Super Guarantee Charge statement will need to be filled out and sent to the ATO. Interest of 10% will be applied to the late payment from the beginning of the quarter the super liability applies to as well as an administration fee.

You are not entitled to a tax deduction for super that is paid late.

For the 2022 – 2023 year, Super Guarantee Contributions for employees has increased to 10.5%. If you have staff on Salary Packages you may need to consider the effect of this. If you need any assistance in understanding the obligation just speak with us.

COVID -19 and Government Stimulus

The NSW state grants that were received this financial year by many businesses are tax free. This includes but not limited to Jobsaver, Covid 19 business grant and the micro grant.

Small Business Temporary Full Expensing

[Temporary Full Expensing](#)

Businesses with an aggregated turnover of less than \$50 million can claim the full net of GST cost of any eligible new or second-hand asset as a tax deduction in the 2022 financial year. Temporary full expensing will continue for the 2023 financial year.

If you are deciding on purchasing assets or if it is right for your business, then give us a call and we can assist in some tax planning options for you.

Other areas that have undergone some changes include:

Personal Service Income and Personal Services Business

[PSI Guide](#)

ATO is focusing largely on PSI and PSB income for the 2022 year. If you work under ABN whether a company, sole trader or partnership, you must understand the difference between Personal Service Income and Business Income. If your Income relates directly to your own personal exertion, then you may not meet the criteria for business income. This may also reduce some of the deductions available to you.

Self-Managed Super Funds News

From 1 July 2021 the maximum number of allowable members for SMSFs has increased to 6.

It is important to note that some SMSF trust deeds only allow a maximum of four members.

Your trust deed will need to be updated to account for the change. Please contact our office to discuss.

Limited Recourse Borrowing Arrangements (LRBA's)

If you are thinking about borrowing funds to buy a property through a self-managed super fund you must fully understand the ramifications of this type of arrangement.

Asset Real Property Valuations

A Trustees obligation is to ensure that all fund assets are valued at 30 June each year.

We suggest that you take action in obtaining the valuation specifically for property, this valuation can be obtained from a registered valuer or a real estate agent.

If you would like more information on setting up a SMSF, reasons for having a Corporate Trustee or tax advice we suggest you contact us for a quick chat and maybe even a talk with our trusted Financial Planner Jason from Your Life Financial Services.

An Update on Our Firm

We would like to welcome Rachel Banister. Rachel has joined the team as an Assistant Accountant. She is a welcome addition and is looking forward to assisting us with the needs of our clients.

An update on the Administration team, Melissa has now returned from maternity leave and is job sharing this role alongside Donna. Please feel free to contact either if you would like to make an appointment or if they can assist with any enquiries.

As we go into a new financial year, we would like to thank all our clients for your continued support. We look forward to being able to have you visit us in our office now that the Covid restrictions are no longer in place and providing to you our valued clients, our continued professional service.