

Annual Tax Time Newsletter

Greetings from All Accounting Matters!

Another year has flown past and many of our clients have experienced a busy year. We hope you are all keeping well and ready for the next Financial Year.

We have provided our annual email as a way of giving you a brief overview of things that have changed and assist in getting prepared for tax time. It surprises us each year the length of time some of our clients have been with us, so we thank you for your loyalty and look forward to working with you again in the 2024-2025 financial year.

For **individual tax return appointments**, we will be **offering Office or Phone appointments** to assist working in with clients' busy work schedules.

Last year many of our clients had their tax returns held over with missing information so we recommend making sure your payment summary shows as being "Tax Ready" in MyGov before making your appointment. Working hours will be extended for the period 15 July 2024 to 30 September 2024 and will be as follows:

<i>Monday, Tuesday, Wednesday and Friday</i>	<i>9am to 5.30pm</i>
<i>Thursday</i>	<i>9am to 6.30pm</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**.

Click here for our Link to our **AAM Individual Helpful Tax Checklist**

Individual Tax Returns:

To assist clients with cost of living we have kept our ITR return fee from \$145.00 per return. If returns are more complex or must be held after the appointment additional fees will be charged. This year the ATO will not process returns until 15th July as employers have until then to finalise your annual payment summary. Early tax return lodgers are at risk of review as per ATO advice, so be mindful to have all of your income ready when lodging.

Income

Remember all Income Statements will be provided through the ATO to us, so you don't need to bring them along. We recommend you still check your interest received on bank accounts or share dividends as it is assessable income. We would also like you to bring any Managed Fund Annual Tax Statements as the ATO still don't have all that information.

Once you receive a notice through MYGOV that the Income Statement is FINALISED this will be the time to make an appointment.

Information for Individuals

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Medicare Levy Surcharge

Thresholds 2024

Singles \$ 93,000

Couples \$186,000

HECS Repayments

Start at \$51550 at

1% of Taxable
Income

2024 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%)

2025 Tax Rates

\$0-\$18,200

Nil

\$18201-\$45000

16.0 %

\$45001-\$135000

30%

\$135001-\$190000

37.0%

\$190001+

45.0%

plus

(Medicare levy of 2%)

The ATO have increased their data matching capabilities targeting rental deductions and short-term holiday rentals, overseas income, business income from EFT facilities like Square/PayPal and always the sale of assets including Crypto Investments!!

Centrelink payments are also being data matched so if you receive any, make sure we are aware of them to include in your tax return.

Expenses

Under an Audit, substantiation is required to prove your deductions claimed. If you are making claims for tools, resources, stationery or other work-related deductions, make sure you have your receipts. For Internet or Phone deductions, we suggest a 4 week diary as evidence of use.

If you have allowable car travel or overnight travel claims, make sure you keep a travel diary showing nights away and/or kilometers. Alternatively, you can prepare your 12-week logbook.

Rental Interest claims are a target for the ATO again this year so please bring the full loan statements for us to review as personal drawings made, do affect your interest claim.

Home Office

The ATO have adjusted the claims for those who now work from home. A new substantiation rule came into effect from **1 March 2023** so make sure you have a **full years diary** of hours logged. You will now need to know **dates and hours worked per day** from home.

Capital Gains

If you have sold shares, property or any other asset (**including cryptocurrency**) during the year, make sure you advise us. With the sale of Cryptocurrency, we suggest you obtain a report from Koinly (or the like) to produce a Capital Gains Schedule which is accepted by the ATO. Although there is a cost for the report, it is well worth it.

Rental Property

The ATO are still targeting Rental Properties for holiday letting so if you rent any part of your home then you need to make sure you are declaring the income and claiming appropriate expenses. For general rental properties the ATO are looking at repairs and /or improvements.

Personal Service Income clients working for NDIS

ATO are looking at support worker income and related deductions so make sure you have supporting documents especially if claiming Food/Entertainment/Drinks. Also make sure you have your travel/klms diary completed to bring along.

Superannuation Contributions

If you have made an after-tax personal contribution to your super fund that you wish to claim as a tax deduction, remember to mention this so we can prepare a Notice of Intent for the fund if you haven't already done so. If you have confirmation of the claim accepted already then bring this along with you.

Quick Info

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From 1 July 2024

**SGC for employees
increases to 11.5%**

2024-2025

**Concessional
Contribution
Super Limit**

Up to

\$30000

Carry Forward

**Concessional
Contributions**

**available for super
balances less than**

\$500000

Company

**Tax Rate
continues at**

25%

STP lodgment of

**Pay runs due
withing**

48hrs of payment

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Business Tax Hotspots:

Single Touch Payroll and Staff Annual Income Statements

The ATO will be waiting for your finalisation process within the software. Finalisation should be completed by **14 July 2024**. If you would like AAM to prepare this on your behalf, make sure we have the information in the office as soon as your last pay run has been completed.

You will need to make sure your wages reported on the BAS match what is lodged within the software with the ATO. If you are unsure on how to do the reconciliation of wages, we can assist.

Contractor Taxable Payment Report

For businesses in Construction and Building, Courier/Road Freight Services, IT services, Security and Surveillance or Cleaning industries your reports will be due on **28 August 2024**. There will be fines imposed if these lodgments are not met so be prepared and have all the necessary information ready.

Contractor and Employee Super Obligations

The ATO is getting very aggressive in the superfund space. With data matching, the ATO are now targeting unpaid super for employees and sole trader contractors. If you pay sole trader contractors mainly for their labour, they are deemed employees and you must pay their super.

It is a timely reminder that you are obliged to know your liability obligations. Just make sure you pay your super by 28th of July 2024 for June Liability. Quarterly payment for super MUST be made to the fund before 28th of every month after your BAS quarter end date.

If your super is paid late, a Super Guarantee Charge Statement will need to be completed and sent to the ATO. Also interest and a \$20 administration fee per staff member will be charged by the ATO. We can prepare this for you and lodge on your behalf. Going forward this will be done with each quarterly BAS if we see it was late! **REMEMBER.....you are not entitled to a tax deduction for super that is paid late.**

For the 2023 – 2024 financial year, SGC was 11%. From 1 July 2024 this **SGC rate** will increase to **11.5%**. Often your software needs updating so if you need any assistance in understanding this obligation, just speak with us.

Small Business Energy Incentive

During 2024 small businesses have been provided an additional 20% deduction available for upgrade or replacement of more energy-efficient electrical goods, assets supporting electrification and demand management assets like batteries and energy storage. This does not include electric vehicles but we will review the years expenses and apply any available deduction.

Instant Asset Write Off

The ATO reduced the instant write off amount from 30 June 2023 to \$20000.00. This means assets up to \$20000 are fully depreciated when primarily used for business. From 1 July 2024 asset limit has been kept at \$20000.00 per asset.

Fringe Benefit Exempt Electric Vehicles

The ATO have provided guidelines for FBT exempt Electric Vehicle. These EV's must be fully electric and not hybrid, zero or low emissions vehicles and they must be brand new with no luxury car tax applied. If within this category it will allow companies to claim costs with an exemption to any FBT payment. If you are looking at this please contact us for further information.

Personal Service Income and Personal Services Business

ATO is focusing largely on PSI and PSB income again this year. If you work under an ABN, especially as a sole trader or partnership, you must understand if your income relates directly to your own personal exertion, then you may not meet the criteria as a business. This PSI or PSB outcome means a limited claim of some expense against your income. This especially affects those receiving more than 80% of income from one source like builders and contractors, support type work like NDIS and many professional services.

Self-Managed Super Funds News

From 1 July 2025 the governments Div 296 tax will be in affect meaning additional tax that relates to member balances exceeding \$3,000,000 at the end of 30 June each year. We will watch this space and provide further information if required.

We introduced a subscription-based system for automatic upgrade Trust Deeds for our clients with SMSF rule changes. A reminder also that Trustees obligations at year end is to ensure that all fund assets are revalued at 30 June each year. We suggest that you act now to obtain a current valuation specifically for each property.

If you are considering setting up a SMSF for property or other investment, just be mindful that there are less SMSF lenders. Loan Value Ratio is also lower and interest rates are much higher than standard home loans. If you would like more information on setting up a SMSF, reasons for having a Corporate Trustee or SMSF tax advice, we suggest you contact us for a quick chat and maybe even a talk with our trusted Financial Planner.

For any questions or further information about subjects covered in our Newsletter please contact either Kylie or Kerryn at the office.

An Update on Our Firm

We have been lucky to have long term staff along with the firm reaching 12 ½ years in Mt Annan. Our friendly reception staff are here to assist both our clients and keep Kylie and Kerryn organized! If you need help with appointments, financial information for lending or just need to discuss tax/accounting issues with your accountant, they can book you a time that suits both yourself and our team.

These past few years have been busy for all our staff and this year looks to be another busy year, especially during tax season. Just a reminder, that Kylie and Kerryn do still need to take annual leave and try and fit into the least busy time. We do apologise if it is not always timely for some clients especially if an urgent tax matter but unfortunately these days there is never a good time!!

Just a reminder that this year Kerryn will be heading overseas for the month of October. She will be working extra hard before she goes and will do extra hours when she returns. This won't affect getting your tax return appointments booked in but please be aware to make them earlier than October or later!

As always, we look forward to having you visit us in our office for our annual catch up or a chat over the phone, especially for those yearly tax return clients. It is a good time to reflect on the important past events and present changes in your life. It also is your opportunity to discuss upcoming matters relating to your tax affairs. This yearly meeting is all part of our firm being able to provide a friendly face for guidance and most of all our professional service.

HAPPY NEW FINANCIAL YEAR!

Your Team at

All Accounting Matters.