

Annual Tax Time Newsletter

Greetings from All Accounting Matters!

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

We like to provide our annual tax time newsletter as a way of giving you a brief overview of things that have changed and assist in getting prepared for tax time. It honours us each year the length of time some of our clients have been with us. We certainly appreciate your loyalty and look forward to working with you again in the 2025-2026 financial year.

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

Unfortunately, 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.

Office hours will be extended for the period 14 July 2025 to 26 September 2025 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>Selected Saturdays</i>	<i>By Appointment only</i>

To make an appointment to see Kerryn or Kylie please phone our office on **(02) 4648 1628**.

SCAMS

With the ever-increasing activity of fraudsters using emails and SMS's on computers and mobile phones, we would like to remind our clients to be vigilant with regards to scams. Scammers are managing to net Billions of dollars each year and we would like to help protect our clients to ensure that you do not become one of these statistics.

To help safeguard you from these scammers, we would like to remind you that you should **never provide personal information over an email or SMS**.

It is extremely important that you NEVER click on any link to provide such information.

If the ATO would like to contact you, they will send a message and request you log into your MyGov Account. They will never request any information via any link. This also applies to Banks or other Government authorities such as Service NSW, Centrelink or Medicare.

If All Accounting Matters require documents signed, we will provide an email to state that these are being sent to you via PleaseSigned from our company.

Information for Individuals

...

Medicare Levy Surcharge

Thresholds 2025

Singles \$ 97,000
Couples \$194,000

HECS Repayments

Start at \$54435 at
1% of Taxable
Income

2025 Tax Rates

\$0-\$18,200
Nil
\$18201-\$45000
16.0 %
\$45001-\$135000
30.0%
\$135001-\$190000
37.0%
\$190001+
45.0%
plus
(Medicare levy of 2%)

2026 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%)

Individual Tax Returns:

This year our ITR return fee is from \$154.00 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 14th July as employers have until then to finalise the annual payment summaries. Early tax return lodgers are at risk of an ATO review, so it is best to make sure all of your income is accounted for before lodgement.

Income

Remember that Income Statements will be provided to us via the ATO portal, therefore you don't need to provide them. We recommend you still check the interest received on bank accounts or share dividends as this is assessable income. Also please provide any Managed Fund Annual Tax Statements as the ATO doesn't provide that information for your return.

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

Expenses

Under an Audit, substantiation is required to prove the 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.

Travel

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.

Home Office

The ATO have adjusted the claims for those who work from home. It is essential that you have a **full years diary** of hours logged. You will need to report **dates and hours worked per day** from home to substantiate your deduction claim.

Capital Gains and Cryptocurrency

If you have sold shares, property or any other assets (**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. It should be remembered that transfers within other cryptocurrency platforms are treated as sales of this asset and are therefore assessable as a capital gain. There is a cost for this type of report but this will ensure you have substantiation.

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.

Rental Interest claims are also still a target for the ATO so please bring the full loan statements for us to review as personal drawings made affect your interest claim.

Quick Info

...

From 1 July 2025

**SGC for employees
increases to 12%**

**2025-2026
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**

...

Personal Service Income clients working for NDIS

ATO are checking 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/kms diary completed to provide to us.

Please see our website link on Carers for more information.

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 already sent this to the Fund and have confirmation that the claim has been accepted, please provide this to us when your return is being prepared.

Land Tax

With regards to Land Tax, this is self-assessable. Therefore, if you have more than one property, it may be time to look at the values of these properties to ensure that you are still within the Land Tax threshold.

Division 293 Tax

Clients with incomes over \$250, 000 may be subject to an additional Division 293 tax. If this applicable, this will be discussed at the preparation of your return.

For further information, Click here for our Link to our **AAM Individual Helpful Tax Checklist**

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 2025**. 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 2025**. 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 – Payday Super

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.

Make sure you pay your June super liability by 28th of July 2025.

It is a timely reminder that you are obliged to know your Superannuation Guarantee (SG) liability obligations. Affective as of 1st July 2026, the Government announced a reform to align employer's payment of SG contributions with salaries and wages. This will be known as Payday Super. **This will require an employer to make SG contributions 7 calendar days after the date that an employee was paid.**

If your super is paid late, a Super Guarantee Charge Statement will need to be completed and sent to the ATO. There is also interest and a \$20 administration fee per staff member charged by the ATO. We can prepare this for you and lodge on your behalf. Each BAS quarter will be checked to see it was late! **REMEMBER.....you are not entitled to a tax deduction for super that is paid late.**

For the 2024 – 2025 financial year, SGC was 11.5%. From 1 July 2025 this **SGC rate** has increased to **12%**. Often your software needs updating so remember to ensure this is done. Further, if you need any assistance in understanding this obligation, just speak with us.

Instant Asset Write Off

The ATO has kept the instant write off amount from 30 June 2026 to \$20000.00 per asset. This means assets up to \$20000 are fully depreciated when primarily used for business.

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.

Cybersecurity

It is a misconception that cybercriminals only target large organisations, but small businesses are also exposed to cyber-attacks. We would like to remind you that any business with internet-connected computers are exposed to cyber risks such malware, denial-of-services attacks or data breaches. It is important that all businesses regardless of size should have robust cybersecurity and take reasonable steps to protect data. These can include updating of firewalls and monitoring of systems, ensuring all software is up to date, Multi-factor Authentication and documented incident response plans. Whether it be in-house or out-sourced, ensure you have experts to help manage your cybersecurity and help mitigate risk to your business. You also might like to consider Cyber Insurance which in an event of an attack, can help cover legal costs, data breach responses, client notification and business

interruptions. If you would like further information, please either speak to us or your insurance broker.

Self-Managed Super Funds News

As yet, the Government has still not legislated the Div 296 tax. If legislated, this will mean that members who balances exceed \$3,000,000 at the end of 30 June each year, may have additional tax payable. We will keep you informed and provide further information if this legislation is passed by the government.

We have also introduced a subscription-based system for automatic upgrade Trust Deeds for our clients to assist 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 are fortunate to have long term staff along with the firm reaching the milestone of nearly 15 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, Mel or Donna 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 set to be another busy year, but 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