Annual Tax Time

Hello from All Accounting Matters!

Yet another year has gone past fast and many of our clients have experienced yet another busy year. At AAM, we like to provide our annual tax time newsletter as a way of giving a brief overview of things that have changed and assist in getting prepared for tax time and the new financial year ahead. It is a privilege for us to continue working with all our clients, whether it be Individuals or Businesses again in the 2026-2027 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 2026 to 25 September 2026 and will be as follows:

Monday, Tuesday, Wednesday and Friday	***9am to 5.30pm***
Thursday	***9am to 6.30pm***
Selected Saturdays	***By Appointment only***

To make an appointment - please phone our office on **(02) 4648 1628 to arrange a day and time to suit you.**

SCAMS

It should be noted that fraudsters and scammers are still catching unsuspecting people out using emails and SMS's on computers and mobile phones, to scam billions of dollars each year. Once again, we would like to remind our clients to be vigilant with regards to scams.

REMEMBER - NEVER click on any link to provide personal information over an email or SMS.

If the ATO, Banks or other Government authorities such as Service NSW, Centrelink or Medicare would like to contact you they will send a message and request you log into your Account directly. **They will NEVER request any information via ANY LINK.**

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

Information for Individuals …

Medicare Levy Surcharge Thresholds 2026
Singles $ 101,000
Couples $202,000

HECS Repayments
Start at $67,000 plus 15% of Taxable Income

2026 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%)

2027 Tax Rates
$0-$18,200
Nil
$18201-$45000
15.0 %
$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 $187.00 per individual return. If returns are more complex or must be held after the appointment additional fees will be charged. As usual the ATO will not process returns until 14th July as employers have until then to finalise the annual income statements. 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 is done.

Income

Remember that Income Statements will be provided to us via the ATO portal. We recommend you still check for other assessable income such as interest received on bank accounts or share dividends. We also need for you to 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. **If using a log book for a Hybrid vehicle, please remember to also keep all fuel receipts.**

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 still looking at repairs and /or improvements.

Quick Info

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From 1 July 2026

SGC for employees remains at 12%

2026-2027 Concessional Contribution Super Limit Up to

$32000

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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PayDay Super from 1.7.26 -

Due each Pay run

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.

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.

If you require more information, please see our website link on Carers.

Superannuation Contributions

If you have made an after-tax personal contribution to your super fund that you wish to claim as a tax deduction, please advise us so a Notice of Intent for the fund can be prepared 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 at the time your return is being prepared.

Land Tax

Land Tax is self-assessable. 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 and SGC super combined over $250,000 will be subject to an additional Division 293 tax. If this is applicable, this will be discussed when your return is prepared.

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 2026**. 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.

It is important that the wages reported on the BAS match what is lodged within the software with the ATO. If you are unsure on how to do this 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 this report will be due on **28 August 2026**. There are fines imposed if these lodgments are not met so be prepared and provide us the contractors ABN's to allow this to be done.

Contractor and Employee Super Obligations – Payday Super

Again the ATO has been 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 <u>28th of July 2026.</u>

It is a timely reminder that you are obliged to know your Superannuation Guarantee (SG) liability obligations. As of 1st July 2026, Pay Day Super comes into effect with the alignment of the employer's payment of SG contributions with salaries and wages. **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 be completed by the ATO. There are also interest and administration fees per staff member that will charged by the ATO. **REMEMBER**….. <u>*Penalties for late payment of super, are not tax deductible*</u>

From 1 July 2025 the SGC rate was increased to 12% and this will remain at that rate for the 2026 – 2027 financial year.

Instant Asset Write Off

The ATO has permanently kept the instant write off amount at $20000 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.

Audit Update

We have been made aware that the ATO have been heavily funded for the 2026 – 2027 FY for small business audits relating to details in Activity Statements and Year End outcomes.

Hospitality & Food Industry, Build & Construction, IT/Security, Couriers/Road Transport and cleaning businesses are some of the target areas. It is important that all receipts are held, even when preparing your income and expenses in software. It may be a good idea to upload the receipts online into your program, so that claims can be substantiated easier.

Cybersecurity

Again, we would like to remind you that all businesses can be exposed to cyber-attacks. Any businesses 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. You should ensure you have experts to help manage your cybersecurity and help mitigate the risk to your business. Another consideration may be 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

It should be noted that the Government has legislated the Div 296 tax. This means that members who have balances exceeding $3,000,000 at the end of 30 June each year, may have additional tax payable.

We currently have a subscription-based system for automatic upgrade Trust Deeds for our clients to assist with SMSF rule changes. It is a reminder that it is a Trustees obligation at the financial year end, to ensure that all fund assets are revalued. Current valuations as at 30 June should be obtained for each asset in particular 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. It is also a requirement to seek Financial advice from a Financial Planner. It should be noted that going forward, there will no Limited Recourse Borrowing Arrangements (LRBA) allowed for residential properties purchased by SMSF. We will update our clients further once the full impact of this change is known.

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

<u>An Update on Our Firm</u>

This year we do have some sad news, our long term administration staff member, Melissa has left us to pursue other endeavors. Although we will miss her, we do wish her all the best for her future. However, if you need any help with regards to your tax or accounting, Donna certainly can assist you with these requirements.

As always, we look forward to having you visit us in our office or for a chat over the phone for an annual catch-up. It is a good time to reflect on the past year and it is also provides an opportunity to discuss upcoming matters relating to your tax affairs. We truly believe that this yearly meeting is an important part of our firm being able to provide guidance and professional services to our valued clients.

HAPPY NEW FINANCIAL YEAR!
Your Team at All Accounting Matters

Kerryn, Kylie and Donna