



Are you ready for Tax Time?

Tax Time is Fast Approaching!!

2017/2018 tax year is gearing up to be one of the lightest years in relation to legislative changes. However, there has been a significant increase in audit and debt collection activity by the ATO recently. This emphasises the need to complete and lodge your tax return correctly and on time.

Personal Superannuation Contributions

From 1st July 2017, Individuals are able to make a fully tax deductible contribution to their Superannuation Fund.

No longer is it a requirement that you must be self employed. Every tax payer (under the age of 75 years old) is entitled to claim a deduction for their contribution. However, this contribution is added to any employer sponsored amount paid in to the fund and must not exceed the superannuation contribution cap of \$25,000 per annum.

Now is an ideal time to review your Superannuation Fund and discuss any strategies for super with your Financial Planner.

Remember to check your superannuation statements for confirmation of payments made for the 2017/2018 year as there may be a timing issue in regards to when the fund received the payment.

It is a requirement to have a "Notice of Intent to Claim" Form from your Superannuation Fund to be able to claim your contribution.

Personal Income Tax Change

Proposed changes from **01/07/2018** for low and middle income earners will allow taxpayers earning up to \$90,000 per annum an entitlement of up to \$530.00 as a non refundable tax offset (Low and Middle Income Tax Offset). Taxpayers earning up to \$125,333 per annum may still qualify for a reduced amount of this tax offset.

The Government has indicated further changes in coming years that may result in increased low and middle income tax offsets.

The targeted outcome is to protect Australian Taxpayers from bracket creep.

General Medicare Levy

The medicare levy low income thresholds have increased for the 2017/2018 year to:

	2016/2017	2017/2018
Single	\$21,655	\$21,980
Family	\$36,541	\$37,089
Single Senior Australians	\$34,244	\$34,758
Family Senior Australians	\$47,670	\$48,385

For each dependent child or student the family income thresholds increase by a further \$3406.00 per child, instead of the previous amount of \$3356.00.

The proposed increase to the medicare levy from 2% to 2.5% has been scrapped.

SAPTO – Senior Australian & Pensioners Tax Offset

These amounts for the 2017/2018 year are:

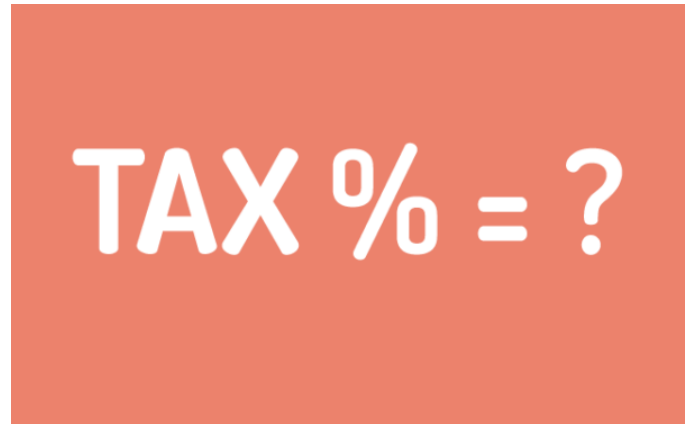
Single Senior Australians can receive \$32,279 whilst each member of a couple can receive \$28,974 without paying tax.



Facebook whilst in our office.

There is also a “refer a friend” discount available. Send a friend our way and receive \$10 off your 2019 tax preparation fee.

*Terms and Conditions Apply



Extended Trading Hours

Please note our extended office hours from 1st July 2018 to 31st August 2018 tax season are:

Day	Trading Hours
Monday	8:30am – 7:00pm
Tuesday	8:30am – 7:00pm
Wednesday	8:30am – 7:00pm
Thursday	8:30am – 7:00pm
Friday	8:30am – 5:00pm
Saturday	9:00am – 1:00pm
Sunday	Closed

Appointments are necessary during this time; please call our office on (08)95283383 to make an appointment.

2018 Tax Table

Individual Australian Residents tax rates for the 2017/2018 year.

Taxable Income	Tax on lower amount	%
\$0 – \$18,200	Nil	0%
\$18,201 – \$37,000	\$0	19%
\$37,001 – \$87,000	\$3,572	32.5%
\$87,001 – \$180,000	\$19,822	37%
\$180,000 +	\$54,232	45%

These rates do not include Medicare Levy of 2%.

The Government has proposed from 1 July 2018 they will increase the top threshold of the 32.5% personal income tax bracket from \$87,000 to \$90,000. Following is the proposed 2019 tax table;

Rate	Current (2018)	Proposed (2019)
0%	0 – \$18,200	0 – \$18,200
19%	\$18,201 – \$37,000	\$18,201 – \$37,000
32.5%	\$37,001 – \$87,000	\$37,001 – \$90,000
37%	\$87,001 – \$180,000	\$90,001 – \$180,000
45%	\$180,000 +	\$180,000 +

These rates do not include Medicare Levy of 2%.



Sound Tax Discount!!

Save on Accountants/Tax Agent fee for the 2018 tax season!!

There is an opportunity for you to receive a \$5 discount on tax preparation and lodgement fees when you take the time to **check in** to Sound Tax & Accounting on



Tax Audit Hot Spots

A statement from the tax commissioner has indicated that there is a high chance of greater audit attention to the following:

Work Related Expense Claims (WRE)

Claims that do not require written evidence (e.g. home laundry, vehicle cents/km, deductions under \$300) still need to be incurred in gaining or producing assessable income.

Air BNB Operators

Income is correctly declared and deductions are correctly claimed (e.g. apportioned where relevant).

Capital Gains Tax

CGT issues with applying the main residence exemption.

ATO Data Matching

The ATO are continuing along their path of data matching with information supplied by third parties. Presently, there is an ongoing investigation into work related expense claims made by employees of a large corporation. In this case the employer has supplied to the ATO, all information in regards to work conditions and all necessary items required to complete their work. If the employees work related deductions are different to the information supplied by their employer, the ATO are reviewing their deductions.

Other areas of data matching the ATO access include Contractor Payment Reports (TPAR), Department of Immigration and Border Protection, Online selling (e.g. Ebay, Gumtree), Ride Sharing (e.g. Uber) and share transactions from Share Registry Providers.



2018 Tax Tips

- Purchase tax deductible items, Prepay interest on loans, Pay income protection insurance premiums **before June 30.**
- Make deductible super contributions **before June 30.**
- If you have made any capital gains during the year, consider selling any assets that will make a capital loss **before June 30** to offset against the gain.
- **Before June 30** – If you earn less than \$51,813 you can make an after tax contribution to your super, and the government will partially match it. If you earn less than \$36,813 the government will match contributions by 50c for every \$1 (max \$500).
- Defer receipt of income and sales of capital assets to **after June 30.**



BAS Clients

The June Business Activity Statement is due to be lodged and paid by the **28th July 2018**. As this is an

extremely busy time of the year, we request that you present all of your BAS papers to us by the **20th July 2018**.

Payment Summaries and Taxable Payments Annual Reports

If you require Sound Tax to complete these annual reporting obligations on your behalf, can you please have all the information we require, to us by **9th July**. Please make sure we are provided with all employees details including their full name, TFN, date of birth and address.

For Sub Contractors we need their full name and/or trading name, their ABN, contact number and address.

In both cases, we will need the gross income amount for the year and any tax that was withheld from these payments.



Rental Property Owners

From the 1st July 2017, only assets purchased as new can be depreciated. This means if a taxpayer purchases, say a second hand oven, then the taxpayer cannot claim for that asset.

Travel of any kind will not be allowed to be claimed for inspecting, maintaining or even collecting rent. Also, travel to the real estate, body corporate meetings, hardware store or the rubbish tip can not be claimed.



Mobile Phone Tax Deduction

This has been a big focus in previous years and we advised a lot of clients through the year that the ATO was seeking the 'four-week' representative period records on these expenses. If you haven't completed this, it would be a good time to start now. You should be reviewing how you claim work/business use of your mobile and/or home phone and internet expenses.

For best results, keep track of these expenses over a 'four-week' representative period. Over the four weeks, keep a record of:

- Your business use as a % of overall use.
- The amount of time spent on work calls as a % of overall calls.
- The amount of data downloaded for work as a % of overall data used.

If your home phone and internet are in a bundle, you need to calculate the relevant price of the service if they were not in a bundle, and apply the discount % to that service inside the bundle. This is then calculated to make the claim for the full year.

The ATO have introduced 'Safe Harbour' rules for incidental phone use, but is limited to a maximum of \$50 per year with landline calls being 25c a call, mobile a 75c call and SMS texts at 10c each.

Now is the time!! Grab your latest mobile phone bill and get started!!



- Payment Summaries
- Centrelink Payments
- Interest Amounts
- Private Health Insurance Statement
- Dividends/Investments
- Rental Property Income and Expenses
- Motor Vehicle Expenses
- Work Related Deductions (e.g. receipts for uniform purchase, union fees, stationery)
- Home and Mobile Phone/Internet Use
- Home Office Expenses
- Other Deductions (e.g. tax agent fees, donations to charities)

What do I need to do my 2018 tax

Please don't rely on the pre-filling report from the ATO to provide all of your details. This information can take some time to become available and in some cases the information has not been provided by the bank/employer to the ATO.

We still require you to bring in:

For a more detailed checklist of what to bring in, please click on the link below which will take you to our website.

[Checklists](#)

See these stories and more at sound.feedsynews.com

General Advice Warning: Any advice contained in these pages is of a general nature only and does not take into account the objectives, financial situation or needs of any particular person. Therefore, before making any decision, you should consider the appropriateness of the advice with regard to those matters and consult your Accountant and or Financial Planner.

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