



CHARTERED ACCOUNTANTS & TAX AGENTS

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2019 TAX NEWSLETTER

OFFICE HOURS

MONDAY – FRIDAY	SATURDAY
9.00 am – 5.00 pm Appointments can be made to 6.30pm Monday and Thursday for July, August & September only.	9.00 am - 1.00 pm <i>By Appointment for July, August, September & October Only.</i>

ACCOUNTING & TAX SERVICES

- ❖ ABN, GST and PAYGW registration.
- ❖ Company and Trust registration.
- ❖ BAS Lodgements
- ❖ Business Tax Returns
- ❖ Company Tax Returns
- ❖ Individual Tax Returns
- ❖ Partnership Tax Returns
- ❖ Self Managed Superannuation Fund Tax Returns
- ❖ Trust Tax Returns
- ❖ Bookkeeping Services using:
 - MYOB
 - Quickbooks
 - Reckon
 - Xero

Professional Staff:

Lucas Grobler - Partner

Gideon Rossouw - Partner

Stephan Grobler

Karen Strydom

Emma Vermeulen

Administration Staff:

Kerry Townsend

Claudia Swanson

Lizelle Rossouw

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The time to complete your 2019 tax returns will commence on 1st July 2019. We are looking forward to seeing all our clients again. Please ensure that you have all your information ready, organised and summarised, *including your Bank BSB & A/c Number*, before you make a booking. All claims must be substantiated by receipts or calculations where applicable (eg kilometres travelled for business).

Automatic Extension of Due Date for: **EXISTING CLIENTS:** Returns to be lodged by 15th May 2020
 NEW CLIENTS: Returns to be lodged by 31st October 2019

IMPORTANT UPDATE

Please be advised that employers reporting through the new Single Touch Payroll system would no longer be required to provide their employees with payment summaries (income statements will replace payment summaries).

Employees from these entities will receive a notification (via TXT message) from the ATO when their income statement is 'tax ready'. Once this message is received we would be able to access your income statement directly from the ATO and complete your tax return.

FEES - (Tax Deductible)

Scale of fees for the 2019 year for Wage Earners is listed below. ***Prices include GST.***

Naturally, more complex returns and returns other than Wage Earners attract a higher fee. This also applies where lengthy schedules are prepared.

Individual Tax Returns (Form I)	From \$130 (including GST)
Small Business Returns	From \$250 (including GST)
Small Business Returns – if registered for GST	From \$350 (including GST)

The fee includes:

- Preparation of Taxation Return.
- Lodging return with Australian Taxation Office.
- **Additional work will be charged on the basis of time spent for Capital Gains Tax, Rentals, ETP's, additional schedules, investment income etc.**
- **Method of Payment** - Cash, Eftpos/Credit Card, Cheque or deducted from ATO refund (*additional fee applies for this service*)

Individuals must pay account before lodgment of tax return, except if payment is to be made from ATO refund, in which case an administration fee of \$29 will be charged.

TO AVOID DELAYS IN PREPARING YOUR RETURN,

- Please check with our office to ensure that we have your correct current e-mail address, residential address and telephone numbers.
- From 1 July 2019, health insurers are no longer required to send private health insurance statements. Please ensure you bring your Health Fund Statement to your appointment, no matter what your income. Most of the funds make the statements easily accessible on your websites after 15 July.
- Because of increased Audits and new rebates, a Check List is included with this newsletter.

Please see what may apply to you and bring supporting documents when you have your appointment. If in doubt, bring them anyway.

1. **TAX REFUNDS**

The Australian Taxation Office have advised that all refunds will need to be deposited into an Australian Bank Account. Please bring your Bank Details (BSB & Account Number) with you.

Electronic Lodgement System should have refunds back within 14 days.

2. **BENCHMARKS**

The ATO has developed Bench Marks for most businesses and is using these for audit purposes. See ATO website for details of small business benchmarks. **You will need receipts and details of private apportionment for all expenses claimed and all income must be declared.**

3. **BUSINESS CLIENTS**

The ATO is carrying out audits on businesses making use of Subcontractors. Please ensure that you comply with the rules in this regard. We recommend that you make use of the decision tool on the ATO website in order to determine whether a service provider is a Subcontractor or an Employee.

3.1 **TAXABLE PAYMENTS REPORTING SYSTEMS (TPRS) – USE OF SUBCONTRACTORS**

Since 1 July 2012, businesses in the **building and construction industry** have been required to report total payments made to each contractor for building and construction services each year. The ATO have expanded the TPRS obligations to the **cleaning** and **courier** industries from 1 July 2018 (i.e., from the 2019 income year)

If you pay sub-contractors you are reminded to lodge your Taxable Payments Annual Report (TPAR) by 28/8/2019. If you want us to assist in this regard please contact our office.

3.2 **ACCELERATED DEPRECIATION FOR SMALL BUSINESSES**

Small business clients are subject to three different instant write-off thresholds for the 2019 income year.

- For assets first used (or installed ready for use) from 1 July 2018 to 28 January 2019 – Less than \$20,000.
- For assets first used (or installed ready for use) from 29 January 2019 and before 7.30 pm (AEDT) on 2 April 2019 – Less than \$25,000.
- For assets first used (or installed ready for use) from 7.30pm (AEDT) on 2 April 2019 to 30 June 2019 – less than \$30,000.

For **Primary Producers** a special concession applies on fencing, water facilities and cost of fodder storage.

4. **CAPITAL GAINS TAX**

This applies to items purchased after 19/9/85 and then sold (this may include your Family Residence). Profit must be disclosed in your Tax Return.

The fee for Capital Gains Tax Schedules is additional to the cost of the Tax Return itself. Please advise at the time of making the appointment if Capital Gains Tax is involved.

4.1 **ASSETS SOLD AFTER 21/9/1999**

If owned over 12 months, you have the option of:

- (a) Paying tax on 50% of the Profit. (b) Indexing the Cost.
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5. **CLOTHING**

Non Compulsory uniforms must be registered with the Textiles, Clothing & Footwear Development Authority.

6. **DIVIDENDS**

You must declare all Dividends, including Dividend Reinvestment.

7. **FAMILY DAY CARE CENTRES**

- ❖ Please advise our office if your Return involves Income and Expenses from this source, as we will require extra time for completion of the return.
 - ❖ Please add the number of days you had children for care and the Gross Fees received.
 - ❖ You must bring your 4 Week Menu cost.
 - ❖ The fee is increased if you have not worked out your income or number of days.
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8. **FOREIGN INCOME**

Australian residents for tax purposes must declare all foreign income including capital gains.

9. **GST - ARE YOU REGISTERED?**

If so, you must bring copies of all **Business Activity Statements and Instalment Activity Statements** you have completed during the tax year.

10. **MEDICARE LEVY SURCHARGE**

High Income Earners who are not covered for Private Hospital Cover may be liable to pay a surcharge.

11. **MEDICAL EXPENSES**

If you have paid medical expenses for disability aids, attendant care, or aged care, you can only claim a certain percentage of your expenses above \$2,333 or \$5,504 depending on your income

12. **MOTOR VEHICLE EXPENSES**

Audits are being carried out and you will need accurate records.

You can claim up to 5000 km at a set rate if you do not travel more than 5000 km for business.

ACTUAL EXPENSES – Log Book method:

A log book must be kept for a period of **12 weeks minimum** and **renewed** every 5 years. The pattern of use during the year must be taken into account.

13. **PAYG INSTALMENTS (PROVISIONAL TAX)**

All clients paying PAYG instalments will be advised by the ATO how it will be charged in each particular case (i.e. Quarterly or by Annual Instalment). Please bring details of all instalments paid with you

14. RENTAL PROPERTIES

If the house was built after 18th July 1985, the cost of the house is required for the Special Building Write Off.

This usually requires a Report from a Quantity Surveyor unless you obtain the original cost from the Builders.
Contact our office for an information brochure.

When investment properties are sold the selling price must be allocated between the building and depreciable assets.

From 1st July 2017, travel expenses relating to a residential investment property are not deductible.

15. SHARES

If you sold Shares that were subject to Dividend Re-investment we need:

- (a) Original Cost and Date of Purchase
 - (b) Dividend Values and Dates Paid
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16. SUPERANNUATION

Superannuation contributions to the maximum of \$25,000 is a deduction against your assessable income (this includes employer contributions). From 1 July 2017 an individual employment status is no longer relevant when claiming a personal superannuation deduction.

Please bring your Intention to Claim a Tax Deduction letter from your superannuation fund as well as written acknowledgment received.

Note: Co-contributions by Federal Govt. are arranged by your Superannuation Fund. Please notify us of any contributions made in this respect.
