

It's tax time again!

Another financial year has passed and your 2019 Income Tax Return is now due. As with previous years, we have prepared this summary with the aim of making this annual event as efficient for you as possible.

This summary should act as a checklist of items to consider when collating your information for us.



Important Changes to PAYG Payment Summaries

In 2018-19 the Australian Taxation Office (ATO) is phasing out the issuance of paper PAYG Payment Summaries (previously Group Certificates) and replacing this with an electronic Income Statement that is accessible only via an ATO linked myGov account or your tax agent. This change will occur over both the 2018-19 and 2019-20 financial years and will depend on when your employer starts reporting through the new Single Touch Payroll system. Before you link the ATO service to your myGov account, please read the myGov section at the end of this document.

Income

Income Statements and PAYG Payment Summaries	Previously known as Group Certificates and issued by your employer. Income Statements will either be received via your ATO linked myGov account or directly to your tax agent via the tax agent portal. PAYG Payment summaries will continue to be issued directly by your employer. You should have a separate summary for each job you held during the year. These payment summaries should include any payments received in relation to the Paid Parental Leave (PPL) scheme.	<input type="checkbox"/>
Allowances, directors fees etc	Include consulting fees, short casual jobs where no tax was deducted, bonuses and allowances, income from income protection and sickness and accident insurance policies etc.	<input type="checkbox"/>
Australian Government payments and allowances	Many Government payments are tax free although some will have tax implications including Newstart allowance, Austudy etc.	<input type="checkbox"/>
Employment Termination Payments (ETPs), Pensions and lump sum payments	These are specific statements that will be issued by your employer on termination of employment or by your superfund.	<input type="checkbox"/>
Interest	Include interest earned from all bank accounts you held during the year. You can usually find annual interest received on your June or July bank statement and/or your online banking facility.	<input type="checkbox"/>
Dividends	Include details of all dividends from public companies including dividends reinvested.	<input type="checkbox"/>
Trust and partnership distributions	Include any distributions you may have received from managed funds, in particular the 'annual tax summary'.	<input type="checkbox"/>
Employee Share Schemes	Include details of any shares you received from the company you work for including the number, value and date of shares received. Also include copies of any tax advice provided by your employer when you received the shares.	<input type="checkbox"/>
Sale of investments	Did you sell any investments during the year? If so, please include details of the original purchase date, number of shares/units purchased, amount paid (including brokerage), additions to your investment i.e. dividends reinvested, and sale details. See section below for property investments.	<input type="checkbox"/>
Foreign Income	Foreign income rules changed on 1 July 2009. Please include details of any income you received from overseas including investments, employment income, pensions etc.	<input type="checkbox"/>
Other income	Any other income received you think may be relevant. It is better to bring something you don't need than have to drop it off later.	<input type="checkbox"/>

Other Items

Personal details changes	Please include any changes to your name, address, contact details marital status etc. If there is a change of name this will need to be updated with the ATO and not via the tax return. Please contact us.	<input type="checkbox"/>
Private Health Insurance	You should receive an annual statement from your health insurance company, which contains all relevant details for your return.	<input type="checkbox"/>
HECS and HELP debts	You should receive an annual statement from the ATO detailing debts owing which we will need to include within your return.	<input type="checkbox"/>
Superannuation	Please include any changes to your name, address, contact details marital status etc. If there is a change of name this will need to be updated with the ATO and not via the tax return. Please contact us.	<input type="checkbox"/>
Spouse Details	Tax rebates and governments benefits are now assessed on combined family income of you and your spouse. Please ensure we have all the relevant details of your spouse's income when we complete your return	<input type="checkbox"/>
Child Support	Please provide details of any child support you have paid during the year.	<input type="checkbox"/>

Deductions

Motor vehicles	<p>There are now only two methods for calculating motor vehicle deductions 'cents per kilometre' or 'logbook' method. By providing the following information, we can determine which of the two is the best method for you:</p> <ul style="list-style-type: none"> • Details of actual expenses i.e. fuel, rego, insurance etc • Details of work-related trips i.e. frequency, distance travelled, where from and to, dates etc (please note, this should not include your daily commute to and from work) • Make, model and purchase price and purchase date of your car <p>Any log books you may have kept and/or odometer readings taken during the year</p>	<input type="checkbox"/>
Other travel	Include travel such as train fares, taxis, car hire, flights etc related to your work which you paid for (please note, this does not include the cost of your daily commute to and from work).	<input type="checkbox"/>
Clothing	Include details of the cost of any clothing with company logos, occupation specific clothing (e.g. nurses and chefs uniforms) and any protective clothing e.g. work boots, sun glasses, hard hats etc.	<input type="checkbox"/>
Telephone & Internet	Include details of any work-related use of your home phone, mobile phone and internet including any usage diaries.	<input type="checkbox"/>
Self education	Include the cost of formal courses and qualifications from TAFE, university etc which are related to your work. Also include the cost of textbooks, stationery, computer, phone, internet and travel related to your education.	<input type="checkbox"/>
Tools and supplies	Include details of all tools, supplies and consumables you may think are relevant to your occupation which you have paid for personally. We can then decide which are deductible.	<input type="checkbox"/>
Home office	If you work from home and have a dedicated office space, you may be able to claim a proportion of your household expenses such as heating, lighting etc as well as depreciation on home office furniture & equipment including computers.	<input type="checkbox"/>
Donations	Include all donations of \$2 or more to an approved organisation (your receipt will usually indicate whether you can claim a deduction).	<input type="checkbox"/>
Other items	Other common deductions you may wish to include are union fees, subscriptions to professional or trade associations, seminars & conferences, reference material including books, magazines and journals, income protection insurance and tax agents fees (including travel to and from your tax agent's office).	<input type="checkbox"/>

Tax Offsets

Net medical expenses	<p>The net medical expenses tax offset is being phased out. Therefore, for most taxpayers this offset is no longer available.</p> <p>The offset will continue to be available to taxpayers with out-of-pocket medical expenses relating to disability aids, attendant care and aged care until 1 July 2019.</p> <p>This offset is income tested. If you are eligible for the offset, the percentage of net medical expenses you can claim is determined by adjusted taxable income (ATI) and family status.</p>	<input type="checkbox"/>
Seniors and Pensioners/Invalid and Invalid Carer	These offsets are available to eligible taxpayers and are based on your dependants i.e. spouse, children or people you care for i.e. your or your spouse's parents or an invalid relative. In order to determine if you are eligible, please include details of all dependants including dates of birth and any income your dependants earned during the year.	<input type="checkbox"/>
Other Tax Offsets	<p>May be available in the following circumstances:</p> <ul style="list-style-type: none"> • You made super contributions on behalf of your spouse. • You live in a remote or isolated part of Australia. From 1 July 2015, eligibility for the zone offset is based on your usual place of residence. If your usual place of residence was not in a zone, you are not eligible for the zone tax offset. Certain types of works are likely to be affected, for example, fly-in-fly-out workers. • You served as a member of the Australian Defence Force or a United Nations. • 'New' Low and Middle Income Tax Offset. If you are an Australian resident for income tax purposes, and your taxable income is in the appropriate income range you will be eligible. This offset applies in addition to the Low Income Tax Offset and if you are eligible is applied automatically by the ATO. 	<input type="checkbox"/>

Rental Properties

Rental properties are a particular focus of the Australian Taxation Office and care must be taken to ensure all deductions are reported correctly. Our property experts can guide you through the various income and deductions you need to report if you can provide us with the following information.

Rent received and commissions paid	Include your annual rental summary from your real estate agent or property manager.	<input type="checkbox"/>
Interest expenses	Include loan statements and/or online banking summaries showing total interest paid during the year. <i>Please advise if there have been any redraws on the loan during the relevant period which do not relate to the investment property.</i>	<input type="checkbox"/>
Insurance, council & water rates	Include copy of statements issued annually or quarterly by the insurer, local councils etc.	<input type="checkbox"/>
Depreciation & Capital Allowances	Include copy of Quantity Surveyor Report or otherwise known as a Tax Depreciation Report if applicable.	<input type="checkbox"/>
Strata levies	Issued by the body corporate and may include annual levies and 'sinking fund' costs.	<input type="checkbox"/>
Land tax	Issued annually by the Office of State Revenue on land holdings over a certain value.	<input type="checkbox"/>
Repairs, maintenance, improvements	There are very specific tax rules related to repairs, maintenance, replacements, capital costs, renovations, improvements etc. The best approach is to provide as much detail as possible for each cost for which we can then determine the appropriate tax treatment.	<input type="checkbox"/>
Travel	<i>Note: From 1 July 2017, travel expenses incurred in respect of a residential rental property (e.g., travel related to inspecting or maintaining a rental property) is no longer deductible, irrespective of when the property was acquired.</i>	<input type="checkbox"/>
Property Purchases and sales	The most important information for property purchases are the sales contract and the settlement statement. Other information includes legal fees, inspection fees, sales commissions, advertising costs, stamp duty etc.	<input type="checkbox"/>

Important Notes

Tax records	In accordance with taxation legislation, it is <u>your</u> responsibility to keep all receipts, statements and other records for a minimum of 5 years.
Refund – Bank Account Details	<i>From 1 July, 2013, the Australian Taxation Office announced that individual tax refunds need to be deposited into an Australian bank account as they no longer issue refunds in the form of a cheque. Joint accounts are acceptable. Please ensure that you advise our office if there has been a change to a previously notified bank account in order that we can update this information in your tax return.</i>

myGov Accounts:

If you have set up a myGov Account and linked the ATO to your myGov account, then the ATO will send all correspondence directly to your myGov inbox and not to us. Unfortunately, we do not receive any alerts from the ATO that this correspondence has been issued. It is therefore important that you check your myGov inbox regularly.

If you are uncertain about any correspondence you have received from the ATO into your myGov inbox, please contact our office. Alternatively, if you would prefer all your ATO correspondence be directed to us in the first instance, you will need to unlink the ATO from your myGov account. If you do not have a myGov account your ATO correspondence will continue to come to us, we will check it and then forward to you as normal.

We trust that this checklist has been useful and we look forward to hearing from you soon.

Referrals are paramount to our business. We would value the opportunity to discuss our range of services with any family, friends or colleagues that you feel may benefit from our assistance.