

BARNAO GROBLER & ROSSOUW

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2016 TAX NEWSLETTER

Automatic Extension of Time for EXISTING CLIENTS: To be Lodged by 15th May 2017
NEW CLIENTS: To be Lodged by 31st October 2016

The time to complete your 2016 tax returns will commence on 1st July 2016. We are looking forward to seeing all our clients again. Please ensure that you have all your information ready, organized and summarized, *including your Bank BSB & A/c Number*, before you make a booking. All claims must be substantiated by receipts or calculations where applicable (for example kilometres travelled for business).

FEES - (Tax Deductible)

Scale of fees for the 2016 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.

The fee includes:

- ❖ Preparation of Taxation Return.
- ❖ Lodging return with Australian Taxation Office.
- ❖ Individual Tax Returns (Form I) from \$130 (including GST).
- ❖ Small business returns from \$230 (including GST).
If registered for GST \$330 (including GST).
- ❖ 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 lodgement of tax return, except if payment is to be made from ATO refund, in which case an administration fee of \$29 will be charged.

OFFICE HOURS

MONDAY – FRIDAY	SATURDAY
9.00 am – 5.00 pm Appointments can be made to 7.00pm Monday and Thursday for July, August & September only.	9.00 am - 1.00 pm <i>By Appointment for July, August, September & October Only.</i>

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 with you.

Electronic Lodgment System Should Have Refunds Back Within 14 Days.

OTHER SERVICES

- ❖ ABN, GST and PAYGW registration.
- ❖ Company and Trust registration.

PROBLEMS ENCOUNTERED

TO AVOID DELAYS IN PREPARING YOUR RETURN, PLEASE BRING THE FOLLOWING TO YOUR APPOINTMENT –

HEALTH FUND DETAILS:

No matter what your income is, we need the certificate from your health fund indicating rebates and days of hospital cover.

Because of increased Audits and new rebates, a Check List is printed on Page 2.

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

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.

MEDICAL EXPENSES

From the 2015-2016 tax year onwards, if you have paid for medical expenses relating to disability aids, attendant care, or aged care, you can only claim a certain percentage of your expenses above \$2,218 or \$5,233 depending on your income. (Previously to the 2015-2016 tax year, this tax offset operated differently.)

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.

DIVIDENDS

You must declare all Dividends, including Dividend Reinvestment.

MEDICARE LEVY SURCHARGE

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

CLOTHING

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

PAYG INSTALMENTS (PROVISIONAL TAX)

All clients paying PAYG instalments will be advised by the ATO how it will be charged in each particular case (ie. Quarterly or by Annual Instalment)

Please bring details of all instalments paid with you

SUPERANNUATION

This is a deduction against your assessable income, if you qualify.

If your employer is liable to pay the superannuation guarantee, even if he has not, you will not qualify to claim your own superannuation contributions if employment income is more than 10%.

Please bring your Intention to Claim a Tax Deduction letter from your superannuation fund.

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

SUPERANNUATION CONTRIBUTIONS made on behalf of Spouse.

Maximum Rebate \$540 (being 18% of maximum contributions of \$3000).

Cuts out when spouse earns over \$13,800.

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 on 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.

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.

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

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.

ARE YOU REGISTERED FOR GST?

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

BUSINESS CLIENTS –

USE OF SUBCONTRACTORS

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.

ACCELERATED DEPRECIATION FOR SMALL BUSINESSES

Businesses with an aggregate annual turnover of less than \$2 million will be able to immediately deduct assets they start to use or install ready for use, provided the asset costs **less than \$20,000**.

(This will apply for assets acquired and installed ready for use between 7.30pm 12 May 2015 and 30 June 2017.)

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

RENTALS:

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.

FOREIGN INCOME

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

BUSINESS CLIENTS IN THE BUILDING AND CONSTRUCTION INDUSTRY

If you pay sub-contractors you are reminded to lodge your Taxable Payments Annual Report (TPAR) by 28/8/2016. If you want us to assist in this regard please contact our office.

E-MAIL ADDRESSES and CONTACT DETAILS

Please check with our office to ensure that we have your correct current e-mail address, residential address and telephone numbers.

CHECK LIST

