



**SYMES
ACCOUNTANTS**
BUSINESS & PERSONAL ADVISORS

WINTER NEWS
July 2019



Kick-start
this financial year
with your best tax
return yet

In the fast lane

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Message from the Directors

Welcome to tax season! It's the beginning of the new financial year so now is the time to think about gathering up your information. We're aiming to help you make this year your best tax return yet and kick-off a great start to the financial year. To help, we have compiled a checklist as a reminder of everything you need to bring with you to your appointment. The ATO has announced a large enforcement this year on deductions. Make sure you're not over claiming your expenses and including all income in your return.

Symes Accountants takes pride in providing the best possible service to all our clients. We will again be extending to everyone the *Symes 5-Star Personal Tax Return Package*. This package is exclusive to Symes Accountants and ensures critical elements to maintain your financial and personal well-being are covered.

With the recent release of the 2019-20 State Budget, there are several legislation changes which came into effect from 1 July. We've broken down the key elements from the Budget which come into effect.

Tax time is a high target for scammers, taking advantage of everyone sorting through their personal information. It is important to be wary of any unusual telephone calls or emails asking for your personal details. If in doubt, be sure to call the ATO directly to follow up any potential threats.

To kick off those new year goals we have included a bonus 2019-20 Financial Year Planner for you. Take the time to reassess those goals you haven't ticked off, those you're currently working towards and the plans you have for new goals this financial year. Let's make this year a cracking one!



DIRECTORS

Peter Caddy
Hans van Heuven
Stephen Arthur



TAX TIME CHECKLIST What records do you need?

INCOME

- PAYG Payment Summary/Income Statement
- Interest paid by a financial institution
- Dividends from shares
- Government benefits or pensions
- Income from rental properties (rent)

EXPENSES

- Motor vehicle (kilometres travelled, registration, insurance, maintenance costs)
- Travel costs
- Uniform, protective clothing, dry cleaning or laundry costs
- Education costs (course fees, text books, travel expenses, stationary)
- Union fees
- Professional subscriptions
- Equipment (business use % of phone, computer etc)
- Home office (business use %)
- Rental properties (bank interest or fees charged, loan documents, council rates, property agent fees, repairs or maintenance, gardening, utilities, advertising etc)

DEDUCTIONS

- Cost of managing taxes (eg last year's tax return)
- Bank fees and charges
- Receipts of deductible donations

CAPITAL GAINS/LOSS

- Acquisition or sale of an asset - could be subject to capital gains tax

MEDICAL, DISABILITY OR AGED CARE EXPENSES *for yourself or dependents*

- Medicare card and out of pocket medical expenses
- Private health insurance letter
- Receipts for medical expenses to assist with disability (eg. prosthetics or wheelchair)
- Receipts for in-home care expenses (approved providers)
- Payments made to residential aged care facilities
- NDIS / private health fund statements

OTHER

- Super contribution confirmation statements for the financial year
- Bank details including your BSB and Account Number
- Spouse's 2018-19 income details (if we are not preparing their tax return)

CHANGES TO TAX TIME 2019

From 2019, all employers who are using Single Touch Payroll will no longer need to provide employees with a printed payment summary/group certificate. Your 'Income Statement' will now be available to access via your individual myGov account. You will receive a notification in your myGov inbox when your statement is 'tax ready' which employers have until July 31 to submit.

Income Tax Return Appointments

We are now taking appointments for the completion of 2019 Income Tax Returns (ITRs) and request that you contact our office to make arrangements.

Some of our fees have changed slightly in line with CPI. Please feel free to clarify these when you make your appointment.

Evening appointments will be available from July 15th to August 23rd.



ATO Crack-down this Tax Season

This year, the Australian Taxation Office has announced that they will be cracking down on undeclared income from the sharing economy, rental properties, cryptocurrency and excessive work expense claims. We've looked closely at the areas you need to watch on your return this year.

Sharing Economy

The ATO has announced it will be looking closely at income and expense reporting of those working in the sharing economy. This includes;

- Transporting passengers for a fare (Uber)
- Renting out parking spaces
- Providing skilled services (Airtasker)
- Supplying equipment or tools
- Completing odd jobs, errands or deliveries
- Renting out equipment such as tools, musical instruments or sports equipment
- Renting out a room or house for accommodation (Airbnb). In particular, where full capital gains tax (CGT) exemptions are claimed for main residences when part of that residence has been rented out. Full exemption cannot be claimed when part of the main residence has been used to earn an income.

Earnings from crypto-currencies

In Australia cryptocurrencies are treated like an asset, which means that every time a cryptocurrency is bought and sold there is a potential capital gains tax liability.

The ATO is in the process of acquiring customer data sets from crypto-exchanges which means they will have greater data-matching accessibility this tax season with the aim to ensure consumer compliance.

Rental Properties

Investment properties are usually hot property for the Tax Office, and this year is no different. They have announced they will be doubling the amount of audits they will be conducting on rental deductions. This could include;

- Incorrect apportionment of rental income and expenses – where deductions on a jointly owned property are claimed by the owner with a higher taxable income rather than jointly.
- Claims for holiday home income – you can only claim deductions for periods when the property is actually rented out for income, and not being used for personal use by owners or their family and friends.

Work-related Expenses

Correctly apportioning personal and business use for work expense deductions will be under the radar. Including;

- Home office use – claiming occupation costs such as rent, rates and mortgage interest are only claimable when you're actually running the business from home
- Overtime meals
- Union fees and subscriptions
- Phone and internet costs – claiming all or large portions of use for work-related over personal use
- Motor vehicle
- Clothing, dry cleaning and laundry. There is an exemption from keeping receipts for expenses under \$150, but the ATO is suggesting people are claiming unnecessarily and will be conducting more audits.



PERSONAL TAX RETURN PACKAGE

☆ YEAR-ROUND ACCOUNTANT

More than just a once-a year Accountant. We stay in touch with you throughout the year through our dedicated individual communications.

☆ SAVE YOU TIME

At the click of a button on your mobile device or computer, you can receive and even sign your documents and send them back to us.

☆ MINIMISE YOUR TAX

No one wants to pay more tax than they have to. Our professional team of Accountants are committed to ongoing education and development, and will make sure that maximum deduction are included in your tax return.

☆ PROTECT YOUR FUTURE

What happens if you cannot work? This is just one of the critical things for you and your family to consider. A complimentary in-house review with **Wealth Evolution Financial Planning** will help you identify how to protect your income and assets.

☆ SAVE YOU MONEY

Whether it's finance for your home, car, equipment or business, a complimentary in-house review with **Interval Finance** will identify where you can potentially save money.



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2019

July	August	September	October	November	December
1 mo	1 th	1 su	1 tu	1 fr	1 su
2 tu	2 fr	2 mo	2 we	2 sa	2 mo
3 we	3 sa	3 tu	3 th	3 su	3 tu
4 th	4 su	4 we	4 fr	4 mo	4 we
5 fr	5 mo	5 th	5 sa	5 tu	5 th
6 sa	6 tu	6 fr	6 su	6 we	6 fr
7 su	7 we	7 sa	7 mo *	7 th	7 sa
8 mo	8 th	8 su	8 tu	8 fr	8 su
9 tu	9 fr	9 mo	9 we	9 sa	9 mo
10 we	10 sa	10 tu	10 th	10 su	10 tu
11 th	11 su	11 we	11 fr	11 mo	11 we
12 fr	12 mo	12 th	12 sa	12 tu	12 th
13 sa	13 tu	13 fr	13 su	13 we	13 fr
14 su	14 we	14 sa	14 mo	14 th	14 sa
15 mo	15 th	15 su	15 tu	15 fr	15 su
16 tu	16 fr	16 mo	16 we	16 sa	16 mo
17 we	17 sa	17 tu	17 th	17 su	17 tu
18 th	18 su	18 we	18 fr	18 mo	18 we
19 fr	19 mo	19 th	19 sa	19 tu	19 th
20 sa	20 tu	20 fr	20 su	20 we	20 fr
21 su	21 we	21 sa	21 mo	21 th	21 sa
22 mo	22 th	22 su	22 tu	22 fr	22 su
23 tu	23 fr	23 mo	23 we	23 sa	23 mo
24 we	24 sa	24 tu	24 th	24 su	24 tu
25 th	25 su	25 we	25 fr	25 mo	25 we *
26 fr	26 mo	26 th	26 sa	26 tu	26 th *
27 sa	27 tu	27 fr	27 su	27 we	27 fr
28 su	28 we	28 sa	28 mo	28 th	28 sa
29 mo	29 th	29 su	29 tu	29 fr	29 su
30 tu	30 fr	30 mo	30 we	30 sa	30 mo
31 we	31 sa		31 th		31 tu

Public Holidays

2019

Labour Day	Oct 7
Christmas Day	Dec 25
Proclamation Day	Dec 26

2020

New Year's Day	Jan 1	Good Friday	Apr 10
Australia Day	Jan 26	Easter Monday	Apr 13
Australia Day Holiday	Jan 27	Anzac Day	Apr 25
		Queen's Birthday	Jun 8

ANNUAL YEAR PLANNER

THE PLAN DOESN'T WORK

CHANGE THE PLAN

NOT THE GOAL

2020

January	February	March	April	May	June
1 we *	1 sa	1 su	1 we	1 fr	1 mo
2 th	2 su	2 mo	2 th	2 sa	2 tu
3 fr	3 mo	3 tu	3 fr	3 su	3 we
4 sa	4 tu	4 we	4 sa	4 mo	4 th
5 su	5 we	5 th	5 su	5 tu	5 fr
6 mo	6 th	6 fr	6 mo	6 we	6 sa
7 tu	7 fr	7 sa	7 tu	7 th	7 su
8 we	8 sa	8 su	8 we	8 fr	8 mo *
9 th	9 su	9 mo	9 th	9 sa	9 tu
10 fr	10 mo	10 tu	10 fr *	10 su	10 we
11 sa	11 tu	11 we	11 sa	11 mo	11 th
12 su	12 we	12 th	12 su	12 tu	12 fr
13 mo	13 th	13 fr	13 mo *	13 we	13 sa
14 tu	14 fr	14 sa	14 tu	14 th	14 su
15 we	15 sa	15 su	15 we	15 fr	15 mo
16 th	16 su	16 mo	16 th	16 sa	16 tu
17 fr	17 mo	17 tu	17 fr	17 su	17 we
18 sa	18 tu	18 we	18 sa	18 mo	18 th
19 su	19 we	19 th	19 su	19 tu	19 fr
20 mo	20 th	20 fr	20 mo	20 we	20 sa
21 tu	21 fr	21 sa	21 tu	21 th	21 su
22 we	22 sa	22 su	22 we	22 fr	22 mo
23 th	23 su	23 mo	23 th	23 sa	23 tu
24 fr	24 mo	24 tu	24 fr	24 su	24 we
25 sa	25 tu	25 we	25 sa *	25 mo	25 th
26 su *	26 we	26 th	26 su	26 tu	26 fr
27 mo *	27 th	27 fr	27 mo	27 we	27 sa
28 tu	28 fr	28 sa	28 tu	28 th	28 su
29 we	29 sa	29 su	29 we	29 fr	29 mo
30 th		30 mo	30 th	30 sa	30 tu
31 fr		31 tu		31 su	

Daylight Savings

Start (+1hr)

Oct 6

End (-1hr)

Apr 5

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Budgeting on the go

Struggling to keep track of your finances and needing ONE place to see and track all of your spending? Then you need your own digital personal assistant!

These days there are endless Apps which can help you track your spending. They are great little assistants for helping you to analyse your spending habits and keep track of your expenses. Some even provide features where you can link them to your bank account and they automatically track for you.

1. Your Bank's App

Pay bills on the go, manage and keep track of your money on the go, tap and pay using your phone (selected banks)

2. Pocketbook

Track your expenses to work out monthly spends and set spending limits. App can connect to your bank to automatically track income and expenses.

3. TrackMyGOALS

Run by ASIC's MoneySmart. Set, plan, track and manage your savings goals visually. Categorize your needs vs wants. Data is downloadable into spreadsheets for inputting into accounting software.

2019-20 State Budget South Australia

Handed down 18 June 2019
State Revenue measures affecting South Australians

SA SYMES
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Farm Productivity

\$7.5 million will be provided over 3 years to implement a **red meat and wool industry program** to help farm productivity, increase product integrity and market confidence.



Licencing Fees

10% increase on occupational licences. This includes builders, plumbers, gas fitters and electricians

5% increase in motor registration and administration fees from 1 July 2019.

From 1 July 2019, standard 4-cylinder vehicles are eligible for a reduction in CTP fees by \$114.



Housing & Land Tax

- Commencing 1 September 2019 for 2 years, interest-free gap loans of up to \$10,000 will be available for low-income earners to obtain home deposits through HomeStart.
- Land tax rate reduction for land valued over \$5 million by 0.1% each year, to 2.9% from 1 July 2027.
- Commencing 1 July 2020, reforms to grouping rules for land tax. Total interest of land ownership by an individual will be aggregated, rather than only properties held under the exact same ownership structure.

Tax cuts for low & middle-income earners

The Government's latest Personal Income Tax Plan has officially passed the Senate and will come into effect immediately once your tax return has been processed for the 2018-9 financial year.

What does this mean for you? Low and middle-income earners will receive immediate tax relief between \$255 and \$1,080 based on your income, with changes to the current LMITO (see table below). Don't stress if you have already submitted your tax return! You won't need to do anything as your assessment will automatically be updated and processed by the ATO.

Income	Tax Offset
Under \$37,000	\$255
\$37,000—\$48,000	\$255—\$1,080 (\$255 + 7.5% of amount over \$37,000)
\$48,000—\$90,000	\$1,080
\$90,000—\$126,000	\$1,080—\$0 (\$1,080 - 3% of amount over \$90,000)
\$126,000 & over	\$0

The three stages of the plan:

UPDATED TAX RATES AND INCOME THRESHOLDS - JULY 2019						
	STAGE 1 From 1 July 2018		STAGE 2 From 1 July 2022		STAGE 3 From 1 July 2024	
	Income Threshold	Tax Rate	Income Threshold	Tax Rate	Income Threshold	Tax Rate
1 st Rate	\$18,200	19%	\$18,200	19%	\$18,200	19%
2 nd Rate	\$37,000	32.5%	\$45,000	32.5%	\$45,000	30%
3 rd Rate	\$90,000	37%	\$120,000	37%	\$200,000	45%
4 th Rate	\$180,000	45%	\$180,000	45%	-	-
Low Income Tax Offset (LITO)	Up to \$445		Up to \$700		Up to \$700	
Low & Middle Income Tax Offset (LMITO)	\$255 - \$1,080		-		-	



Maximise your rental property deductions

Under legislation brought in from 2017, deductions can no longer be claimed on residential property plant or equipment assets which were installed by the previous owner prior to purchase. This includes hot water systems, solar panels, air conditioning, security systems, curtain and light fittings.

Any new assets purchased (eg oven or dishwasher) can still be claimed, plus all plant and equipment for new residential properties can be depreciated. Tax deductions on capital works are also allowed for residential properties built after 15 September 1987. This includes items 'fixed' to the building including built in cupboards, doors and fittings, driveways, fences and retaining walls, sinks, basins and toilets. Depreciation is spread over the ATO's specified property 'life-time' of 40 years. Often these deductions can be substantial and attempting to identify each asset and assigning costs can be tricky.

To maximise your available deductions we recommend engaging a 'quality surveyor' who is authorized under tax law to provide depreciation reports for investors. We've worked alongside **BMT Quality Surveyors** for many years and our clients can benefit from a discount off the cost of reports on your property. BMT are able to provide you with a full depreciation schedule for your rental property which could also help you to re-claim any missed deductions from past financial years.

To find out more about reducing the taxable income from your investment property and pay less tax each financial year, contact us to engage with BMT before submitting this year's income tax return.



**Pay less tax with a BMT
Tax Depreciation Schedule**

The Paperless Office

The frantic searching through desk drawers, filing cabinets, glove compartments, handbags and shoeboxes to find all the documents you have stashed away through the year is about to begin. The typical result? A meagre fistful of crumpled, ripped or completely faded receipts. Don't despair at thought of missing deductions from lost receipts -start planning now for next year!

Cloud-based accounting software is here to help you. And we're help to help you navigate these systems. These systems are designed to be SECURE and as straightforward as possible for everyone to keep on top of their finances. When it comes to tax time, they also make tax returns simpler for you to navigate. All your data can be waiting on the system for us to get straight to work. If you would like to look further into cloud-based accounting software please contact our office.

'Protecting your Super' Reforms

From July 1 2019, new Government initiatives commence, designed to protect superannuation savings.

- Exit fees for switching funds now banned, allowing you to move to a new fund which suits your circumstances without any penalties.
- Super balances of less than \$6,000 at the end of financial year will have a cap placed on their fees of 3% per annum to avoid them being eroded.
- Super funds will be required to cancel the insurance cover on super accounts which have been deemed to be inactive (have not received any contributions or rollovers for more than 16 months).
- Super accounts with a balance of less than \$6,000 and deemed to be inactive will automatically closed and the balance transferred to the ATO. They will then use their data-matching technology to transfer this balance into one of your active super accounts.



Are your ducks in a row?

Getting your finances in order this Financial Year should be a priority, but have you thought about what would happen in the event of an accident?

Take this short quiz and let's see how prepared you are...

Do you have an up-to-date Will?

YES or NO

Do you have a Power of Attorney?

YES or NO

Do you have an Advance Care Directive in place?

YES or NO

How many of those questions did you answer Yes to? If you answered NO to ANY of these questions, you need to make it a priority to chat with us today about how important these are.

We can put you in touch with the RIGHT people to get these in place.

Salary Sacrificing

Thought about salary sacrificing but not really sure what it entails, or if it would work for you? Essentially, salary sacrificing is a way of minimising your tax bill by using your pre-tax salary to buy goods or services that you would normally buy with your after-tax income. It's an arrangement you come to with your employer prior to commencing your employment contract. It's important to note that not all employers offer salary sacrificing but there are some benefits including attracting employees or an incentive to increasing productivity.

One of the most common type of salary sacrificing is car arrangements, and can be one of the easiest and most cost effective ways to finance and purchase a car. The most common arrangement is a *novated lease* where you lease a car and your employer takes the repayments and running costs out of your pre-tax income. There is also the option of reducing the Fringe Benefits Tax (FBT) paid against your purchase by making contributions to the operating costs of the vehicle with post-tax income.

Overall, there are three different types of salary sacrifice arrangements employers may provide: fringe benefits, exempt benefits and super.

Fringe Benefits: Includes cars, property (goods, real estate, shares or bonds), or expense payments (loan repayments, school fees, childcare fees, home expenses).

Employers would be subject to FBT on these items and payments will appear on your payment summary at tax time. You won't be required to pay tax or the Medicare levy on the value of benefits received each year.

Exempt Benefits: Includes computer software, protective clothing, briefcases, tools, and portable electronic devices.

These work-related items are exempt from fringe benefits tax and are limited to one item per FBT year (excluding small businesses with an annual turnover of less than \$10 million).

Superannuation: Increase your retirement funds by salary sacrificing extra contributions into your superannuation fund. Providing your employer doesn't have a cap on the amount you can salary sacrifice, there is no limit to putting extra contributions into super. However, you do need to consider if the extra contribution will exceed the 'concessional contributions' cap. The concessional cap (or before-tax) limit that you can contribute into your super fund is \$25,000 per year, inclusive of your employers super guarantee contributions.

It's important to consider your own personal circumstances prior to making arrangements with your employer.

BENEFITS OF SALARY SACIFICING

- Reduced income tax liability. By making repayments from your pre-tax salary you are reducing the amount of income that is liable for taxation. The higher your tax rate, the greater the benefit.
- Allows you to take some of your remuneration as an employee in the form of concessional tax benefits instead of taking it all as fully assessable salary.
- Allows you to buy the benefit in pretax dollars: if your tax rate is 32.5 per cent, you get 32.5 per cent better buying power.

DRAWBACKS OF SALARY SACIFICING

- Not all employers offer salary sacrificing. Often there are high administration costs for the employer so you must come to an agreement on both parties.
- If your employer is required to pay Fringe Benefits Tax, you may be liable to pay this additional amount
- If salary sacrificing for a car - you are liable for the car and should you lose your job, the car (including payments) will still be your responsibility.
- You don't own the car, while you will have full-time access to the car, it is not technically yours.
- It's not for everyone: maximum benefits are achieved if the car is predominantly used for work purposes, and note this does not include home-to-work and work-to-home.



Facebook



Twitter



Instagram



YouTube



LinkedIn



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MONDAY - FRIDAY 8:30am to 5:00pm

CLOSED Public Holidays & Christmas/New Year

