



THE SYMES TIMES

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Message from the Directors

With the Federal election behind us, some significant reforms to Australia's existing tax system are on the way. Higher tax offsets for low and middle income earners and a cut in the tax rate for SMEs are just some of the benefits on offer from the re-elected Morrison Government.

With the end of financial year only weeks away, now is the time to start preparing. Chat to our team about interim tax planning for your business and getting the best outcomes for you at tax time. For individuals, making the most of your claimable deductions for work or investment properties is crucial. The ATO has earmarked rental properties as hot property for audits on deductions this tax season. Make sure to chat to us if you're unsure what you can claim.

Financial year is also a great time to review superannuation, both for employees and business owners. Although employees' super guarantee contributions don't need to be paid until July 28, it can make sense to pay them by June 30 so you can claim the tax deduction in the current year. For individuals, have a read of the article by Wealth Evolution who have provided some great advice on where to get started on boosting your super balances.

Employees are reminded that payment summaries will no longer be provided by employers who are using single touch payroll reporting systems. This information will now pre-fill into your tax return via your individual myGov account linked to the ATO. Take the time this financial year to login to your account and make yourself familiar with the portal and where to find your payment information.

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Countdown to Single Touch Payroll

Time is running out for small business owners to prepare for the Single Touch Payroll (STP) digital revolution. From 1 July 2019 all employers will need to begin electronically reporting their payroll tax and super information directly to the ATO each time employees are paid. *Contact us today if you still need assistance in finding the right software solution for your business, or for more information about STP.*



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Social Pictures from the Official Launch held on Friday 10th May





ATO watching rental property deductions

The ATO has announced a crack down on rental property deductions by doubling the amount of audits it will be conducting this tax season. To help avoid any potential audits ensure you record and report all rental-related income and don't claim for expenses not related to the rental property. Recent changes include the removal of deductions for travel expenses relating to collecting rent and performing inspections.



Win for farmers with luxury car tax relief

Since 2000, a Luxury Car Tax (LCT) of 33% is applied to most new and demonstrator vehicles where the price exceeds the LCT threshold. The current threshold is \$66,331 (including GST, but excluding any government charges and any additional accessories and customisation applied before delivery). This increases to \$67,525 for the 2019-20 financial year.

For vehicles purchased on or after 1 July 2019, eligible primary producers will now be able to apply to a refund of up to \$10,000 of the luxury car tax (up from the current maximum refund of \$3,000).



Additional services required to submit TPAR

For the 2019-20 financial year onwards, businesses providing road freight, IT, security, investigation or surveillance services will be required to start reporting contractor payments in the taxable payments reporting system. Records will need to be kept of all payments made to contractors from 1 July 2019 to 30 June 2020 to assist with lodging the taxable payments annual report (TPAR).

Tax savings for SA small and medium-sized businesses this tax season

The Federal Government has extended its instant asset write-off for small businesses until 30 June 2020, and increased the immediate claimable threshold from \$25,000 to \$30,000 per eligible depreciating asset. Eligibility has also been extended to medium-sized businesses with an annual turnover of up to \$50 million (up from the previous \$10 million).

Now is the time to take advantage of the scheme! End of financial year is approaching which means the timeframe for receiving tax benefits is reduced, and savings can start from now for purchases made prior to 30 June 2019. Depreciable assets could include tools, furniture, computer equipment or vehicles. With the potential to make a big difference to businesses bottom lines at EOFY, the asset write off is attractive with a lowered risk of investment due to the almost instant return. Think about your future business plans for expansion and growth, or the decision whether to maintain old equipment or invest in new assets.

In also helping small businesses, a small business depreciation pool has also been introduced for assets over \$30,000 which cannot be immediately deducted. Valid until 30 June 2020, businesses with an annual turnover of under \$10 million are able to depreciate assets at 15% in the first year and 30% each income year thereafter. Once the depreciated value reaches \$30,000 or less by 30 June 2020, the remaining value can be instantly written-off.

GOLDEN RULES



Top Tips for business expense claims

1. Expense must have been for the business - not private use
2. Where an expense is for a mix of business and private use - only the business use portion is claimable
3. Records must be kept of proof

Remember Symes Accountants is here to help you make the most of your business claims this tax season!

More super – less tax

The end of the financial year is fast approaching – and this year, there's a new way to help you save on tax while boosting your super. By making an after-tax contribution before the end of the financial year, you could boost your retirement savings for the future - and claim a tax deduction now.¹

Here's what you need to know:

Benefit today – and tomorrow

If you make super contributions from your after-tax income or savings, you may be able to claim them as a tax deduction and reduce your taxable income, while boosting your super. The contribution will then be taxed in your super fund, generally at the concessional rate of up to 15% (or up to 30% for higher income earners). This is instead of paying tax at your marginal tax rate, which could be up to 47% (including the Medicare levy). Depending on your circumstances, this strategy could result in a tax saving of up to 32% – and help you retire with more.

Am I eligible?

To make a personal deductible contribution to super, you need to be under the age of 65, or 65 to 74, and have worked at least 40 hours over 30 consecutive days in the financial year you make the contribution.

How do I claim my deduction?

To claim the super contribution as a tax deduction, you need to submit a valid 'Notice of Intent' form with your super fund, and receive an acknowledgement from them, before you complete your tax return, start a pension or withdraw or rollover the money.

Remember the cap

Remember, if you claim personal super contributions as a tax deduction, they count towards your concessional contribution cap, which is \$25,000 in the 2018/19 financial year. It's important you don't exceed the cap, as penalties may apply. All employer contributions (including superannuation guarantee and salary sacrifice) and certain other amounts are also counted towards this cap.

Need advice?

If you're thinking about investing more in super, we can help you decide whether making a personal deductible contribution is right for you. We can also help you assess all your options that may help build a healthy retirement nest-egg.



¹ Eligibility conditions apply. **Important information and disclaimer** This article has been prepared by Wealth Evolution Gawler Pty Ltd an authorised representative of Meritum Financial Group Pty Ltd ABN 93106888215 AFSL 245569. Any advice provided is of general nature only. It does not take into account your objectives, financial situation or needs. Please seek personal advice before making a decision about a financial product. Information in this article is current as at 12 December 2018. While care has been taken in the preparation of this article, no liability is accepted by Wealth Evolution Gawler Pty Ltd, Meritum Financial Group Pty Ltd or its related entities, agents or employees for any loss arising from reliance on this article. Any tax information provided in this article is intended as a guide only. It is not intended to be a substitute for specialised tax advice. We recommend that you consult with a registered tax agent.



Here's an example:

Bob is 55 years of age and earns \$80,000 pa, so his marginal tax rate is 34.5% (including the Medicare levy). He's paid off his mortgage and plans to retire in 10 years – so he wants to contribute more to his super.

He makes a personal super contribution of \$10,000 and claims the amount as a tax deduction – reducing his taxable income. This means he pays \$3,450 less tax in his tax return.

Meanwhile, tax of 15% (\$1,500) is deducted from the contribution in the fund.

So, by using this strategy, Bob increases his super balance and makes a net tax saving of \$1,950 (that is, \$3,450 less the \$1,500 tax he paid within his super fund).

"The time of year when leaves change colour and fall to the ground. Autumn shows us how beautiful it is to let things go"



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