

RICARDO ACCOUNTING

ACCOUNTING, SUPERANNUATION & FINANCIAL SERVICES



Ricardo Accounting is a CPA Practice

2017 NEWSLETTER

FIRM NEWS

The 2016/2017 financial year is drawing to a close and it's an exciting time to be in business. Technology has brought it with many benefits but nothing beats good old fashioned quality service and professionalism. If you would like advice on strategies to help your business, please call the office to arrange an appointment.

The office team remains committed with Linda and Wendy providing the administration backbone. Wendy joined us in 2016. Danielle is busy assisting all our businesses in their bookkeeping and compliance specialising in Xero.

1 Year in our new office

We moved into a brand new office, 1 year ago. Our street address is Level 1, 18 Barralong Road, Erina NSW 2250



ATO TAX NEWS

IN THE SPOTLIGHT

The tax office is using the latest technology to ensure taxpayers are lodging returns with the correct claims. They are able to compare and identify tax claims in real time. The sharing economy is also in the spotlight, being services like Airbnb and Uber. This is income and needs to be declared.

Please contact our office if you would like clarification on what you can claim.

TAX REFUND – EFT REQUIRED

REMEMBER YOU NEED TO USE EFT TO GET YOUR REFUND. Be sure to bring your bank details when coming in to complete your tax return.

LATE LODGEMENT PENALTIES

The ATO continues to be unforgiving with late-lodgers and the current penalties range from **\$210 to \$900** per return or BAS not lodged on time and as such we are continuing to make meeting your reporting requirements our priority. This means that for every 28 days a form or return is late you will be charged \$180 up to a maximum of \$900 per return. The ATO has been unforgiving of late in relation to late lodgers and regular non-lodgers in the last year have found themselves subject to an ATO audit.

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SCAMS

Remember to keep your private information private as we continue to new and more elaborate scams. Even if you have a debt, debt collection agencies have an industry code of conduct they must adhere to. The ATO has stated they will never cold call about a debt, they will never threaten jail or arrest and that their staff will not be aggressive or rude.

If you received a scam phone call or email the ACCC wants to know.

<https://www.scamwatch.gov.au/report-a-scam>

<https://www.ato.gov.au/individuals/tax-file-number/in-detail/identity-theft/watch-out-for-scams---protect-yourself/>

RENTAL PROPERTIES

Some changes for landlords as new rules start on the 1st of July. Two main issues are that travel deductions to your rental property are no longer allowed. Another deduction to be cancelled is capital depreciation for properties if you are not the original owner. Plant and equipment can still be claimed but must be depreciated over the life of the items.

<https://www.ato.gov.au/Media-centre/Articles/ATO-increases-focus-on-rental-property-deductions/>

<https://www.ato.gov.au/General/New-legislation/In-detail/Direct-taxes/Income-tax-for-individuals/Disallow-the-deduction-of-travel-expenses-for-residential-property/>

CLAIMING WORK RELATED EXPENSES

The ATO has stated that it is using real time technology to check a person's claims against those of people in the same job category. This is common practice with business returns ensuring business financials are within industry benchmarks. Thanks to technology the ATO is processing individual returns in the same manner.

<https://www.ato.gov.au/Individuals/Income-and-deductions/Deductions-you-can-claim/Other-deductions/Claiming-mobile-phone,-internet-and-home-phone-expenses/>

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BUSINESS UPDATE

ASSET WRITE-OFF

The asset write-off threshold for small business has been extended of \$20,000 has been extended to 30 June 2018. This means that if you are a small business you can go and buy an asset to the value of \$20,000 before the 30th of June and claim 100% of the cost THIS FINANCIAL YEAR.

PAYMENT SUMMARIES

Employees are required to have received their payment summary from their employer by the 14th of July. It is a good time now to review all employee details including their postal address for their payment summary. The employer summary is due to the ATO by the 14th of August.

BOOKKEEPING SERVICE WITH XERO

In case you were looking for some bookkeeping assistance or just want to outsource the stress of managing your paperwork. We offer Xero bookkeeping service to take the hassle out of your business accounting. Xero is our recommended system which links with your bank account and feeds transactions in automatically allowing faster allocating through bank rules and cash coding. WE ARE EXPERTS in Xero and we are more than happy to teach you to use it OR manage it for you. We do scores of BAS's every quarter. Talk to us today if you are tired of doing it the old fashioned way.

SUPERANNUATION

Employer compulsory contributions remain at 9.5%. There were many budget announcements' which affect super but are yet to be legislated.

Note:

Thresholds

The budget proposes to drop the threshold to \$25,000 for all taxpayers however unused concessional caps allow for a "catch-up" contribution for up to 5 years for individuals with a super balance of up to \$500k.

The non-concessional cap has been reduced to \$100,000 and a \$1.6 million cap has been introduced on accumulation accounts when they transition to pension phase.

THINGS TO DO BY YEAR END - SUMMARY

Motor vehicle claims - Please record your odometer at the 30th of June

Medicare Levy Surcharge – Please check Private Health Insurance Coverage

SMSF's – Remember to take your minimum pension payment (contact us if this is you)

Construction Contractor Payment Summaries – due by 28th of August

Small Business Write-off of Assets < \$20,000 – Be sure to purchase assets before June 30th to get full advantage this financial year.

Make a donation to a registered Charity.

THINGS TO BRING IN FOR YOUR TAX

- Bank Details – Please ensure you bring your up-to-date bank details when we process your return.

INCOME STATEMENTS

- PAYG Payment Summaries (previously Group Certificates) You should be provided a copy from your employer.
- Employee Share Scheme Statements
- Eligible termination payments
- Interest earned from bank accounts
- Share dividend statements Bank Details –.
- Annual tax statements from trusts, managed investments, property and cash management trusts
- Income and expenses from investment properties

DEDUCTIONS & EXPENSES

- A list of work-related expenses (with receipts).

These may include but not limited to:

- Tools
- Phone – please need work use %
- Internet – please need work use %
- Memberships/Union Fees/Subscriptions
- Reference books
- Tolls, Travel for work (other than to/from)
- Self-Education claims
- Uniforms
- Motor vehicle logbook
- Motor vehicle claims - **Please record your odometer**
- Donations Receipts
- Interest and fees on investment loans
- School building levies and library funds
- Income protection insurance

OTHER DETAILS

- Private health insurance
- Amount of HELP debt or Financial Supplement loans outstanding
- Bring the details of your spouse, including their date of birth and taxable income.

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2017 SCHEDULE OF FEES

WE ACCEPT CREDIT CARDS – feel free to take advantage of this convenient and cost effective way to pay for your return.

Fees have not significantly changed and our services are still GREAT VALUE FOR MONEY.

Individual Tax Returns from \$143*

Schedules and Additional Costs

Trust Account Fee from \$25 (reviewed annually in March)

Motor Vehicle Schedule from \$22⁺

Investment Schedule from \$22⁺

Depreciation Schedule from \$22⁺

Capital Gains Tax Schedule from \$55⁺

Rental Schedule from \$110⁺

Centrelink Lump Sum Claim Form from \$150*

Hourly Billing Rate for business and accounting services –per hour. Billed at \$209*

Notes:

*Fees vary depending on work and particularly the time that is involved, extra fees on top of standard rate may apply if extra work is involved including administration, debt collection, audit handling, tax planning and advice. Estimates can be given in most circumstances and please feel free to contact us if you have questions or problems with paying your account. All fees include GST.

+ Motor Vehicle, Rental, capital gains, investment & other schedules are charged at our discretion and the price depends on the detail and time spent. If information is well summarised and minimal compilation work is required these charges may be waived. All fees include GST.

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