

## Topics:

*Website*

*Staff Update*

*Fees*

*Things to do  
before 30 June*

*Taxation &  
Accounting  
Checklists*

*Audit  
Checklists*

*ATO My  
Deductions  
App*

## Office Hours:

8:30am  
to  
5:00pm

Monday  
to  
Friday

Closed  
Public  
Holidays

## Our Business

### WEBSITE

We encourage you to browse through our website at [www.dgca.com.au](http://www.dgca.com.au) and use the tools available.

### STAFF UPDATE

We welcome Tracey King to our team as our Receptionist/Undergraduate Accountant.

### FEES

Please note that we require our fees to be paid on time. We ask that our fees be paid within our terms of trade of 14 days. We have an EFTPOS facility and therefore fees can be paid in person, by phone or by completing the bottom section of your invoice and mailing it to our office. Monies may also be paid via internet transfer, as our bank details are also listed on the bottom of your invoice.

## Reminder

### THINGS TO DO BEFORE 30 JUNE

There are a number of key issues that Businesses and Individuals should consider in preparing their income tax returns for the year ended 30 June. Refer to "Things to do Before June 30" on our Website.

## Checklists

Please download the relevant 2018 checklists from our website for:

1. Budget & ATO Items
2. Individual Tax Checklist
3. Business Tax Checklist
4. SMSF Tax Checklist

Please download the relevant checklists from our website for:

1. Incorporated Associations
2. Real Estate Trust Accounts
3. Solicitors Trust Accounts
4. SMSFs

Please read, complete and provide the relevant information in order to identify all the things you need to do to assist us in preparing your taxation returns. This will enable us to undertake your work promptly and efficiently and in a cost efficient manner.

## ATO My Deductions App

The ATO has developed an app for downloading to smart devices to make it easier and more convenient to keep your tax deductions and income records all in one place.

It is ideal for individuals and sole traders, benefits include:

- It's a fast, easy way to capture information on the go
- It keeps your deductions organised – no more faded receipts and lost information
- It's an easy way to give us your tax records as it can be uploaded as a CSV file
- It incorporates with the ABN lookup website
- Allows you to keep track of important dates for your tax and super obligations

## Topics:

*ASIC*

*SMSF*

*Bank  
Account  
Details  
Required*

*Lodgement  
Dates*

*Building and  
Construction  
Industry  
Reporting*

*PAYG  
Withholding  
Summary  
Reporting*

*Low Income  
Earners*

*Rental  
Property  
Investment  
Fact Sheet*

## Regulatory Information

### ASIC

For businesses that operate under a company structure it is very important and a requirement of ASIC that any changes are advised within 28 days. Please contact Angela in regard to changes of company officers and changes to members, directors, secretaries and business addresses so that we can lodge the appropriate documents with ASIC. The ASIC Annual Company Statement renewal fees from 1 July 2017 are \$254 (GST free), and for Company's which are Trustees of SMSFs the fee will be \$48 (GST free). ASIC fees can be paid via BPay direct to ASIC.

### SELF MANAGED SUPERANUATION FUNDS (SMSF)

There have been a number of changes announced by the ATO in relation to superannuation. Refer to 2017/18 Budget & ATO Items on our Website for further details.

## ATO Items

### BANK ACCOUNT DETAILS REQUIRED

From 1 July 2014 all return types will need to include financial institution account details. All refunds will have to be deposited via Electronic Fund Transfers (EFT) into a bank account. Irrespective of whether you are giving us authority to deduct your refund, we will still require your bank account details i.e. Name of Bank, BSB Code, Account Name and Account Number.

### LODGE MENT DATES

Please ensure you bring your work into us on a timely basis to enable us to complete it prior to due lodgement dates, as penalties apply for late lodgement.

### TAXABLE PAYMENTS REPORTING

If you are in the building and construction industry you are required to report by **28 August 2018** the total payments you made to each individual contractor for building and construction services. For more details visit:

<https://www.ato.gov.au/Business/Reports-and-returns/Taxable-payments-annual-report/>

We note that from 1 July 2018 those businesses in the courier and cleaning industry will be required to lodge a Taxable Payment Report of payments made to each individual contractor.

Please contact us if you would like assistance in this matter.

### PAYG WITHHOLDING SUMMARY REPORTING

If you pay employees, you need to issue them each with a PAYG Payment Summary and lodge the PAYG withholding payment summary report to the ATO by **14 August 2018**. If we usually do this for you, please ensure that you have this information to us before this date.

### LOW INCOME EARNERS

There are some circumstances where low income earners may still need to lodge an income tax return. Please contact us to determine whether or not you need to lodge a tax return.

### RENTAL PROPERTY INVESTMENT FACT SHEET

To ensure you are meeting all ATO compliance requirements and claiming all allowable deductions in relation to your rental property refer to "Rental Property Investment Fact Sheet" on our Website. There have been some significant changes in the prior year's budget which you should be aware of for 2017/2018.

## ATO Items (continued)

### Topics:

*Super  
changes*

*Fringe  
Benefits  
Tax*

#### SUPERANNUATION CHANGES

There have been several major changes to the superannuation legislation. A summary of these are:-

- From 1/7/2017, there is now a \$1.6m cap on the total of superannuation that can be transferred into a tax free 'retirement account'.
- The Division 293 income threshold to be decreased from 1/7/2017 to \$250,000.
- Concessional Contributions (i.e. tax deductible contributions) into superannuation threshold has now reduced to \$25,000 from 1/7/2017 for all taxpayers under the age of 71. Ensure that any salary sacrificing arrangements or contributions including your employer contributions do not exceed this amount or else a penalty will apply on the excess.
- Concessional contributions are now deductible from 1/7/2017 for all taxpayers under the age of 71 and not just those who are self-employed. This means employees can make contributions to their superannuation fund out of their post-tax salary and claim a tax deduction. The same \$25,000 limit applies which includes employer contributions.
- Non concessional contributions (i.e. non-deductible contributions) cap has reduced as from the 1/7/2017 from \$180,000 per year to \$100,000 per year and will remain available to taxpayers aged between 65 and 74 if they meet the work test. Certain rollover rules apply if greater than \$100,000 is contributed in a year. This cap does not apply for those whose total superannuation balance is in excess of \$1.6m.
- Voluntary contributions to superannuation made by first home buyers as from the 1/7/2017 can be withdrawn up to \$15,000 from 1/7/2018 for a first home deposit at a tax rate of 30%.
- Spouse contribution tax offset threshold has been increased from \$10,800 to \$37,000 meaning more taxpayers could now be eligible for claiming the maximum \$540 tax offset for contributing into their spouse's superannuation.

#### FRINGE BENEFITS TAX

The ATO is currently focusing on the following specific areas in connection with FBT:-

- Customer Loyalty Programs – businesses may leave themselves liable for FBT where employees (including directors) redeem frequent flyer miles through business credit cards or personal credit cards that have been used for purchasing business goods.
- Utility Vehicles & Dual Cabs – these are only exempt from FBT if the only personal use is that of home to work, with other personal use needed to be minor, infrequent and irregular. If it includes dropping children to school or grocery shopping, etc. then this is deemed private use and not irregular. A long distance trip, although irregular would not be minor. All of these examples are liable for FBT.

## Topics:

*Fringe  
Benefits  
Tax (cont)*

*Change in  
Tax Rates*

*Working  
Holiday  
Makers*

*Payroll  
Tax*

## ATO Items (continued)

### FRINGE BENEFITS TAX (CONTINUED)

- Private Use Vehicles – the ATO is actively targeting businesses using motor vehicles for private use. Home to work is private but when an employee travels direct from home to a client's premises it can be classed as business travel when all the following are met:-
  - The employee has a regular place of employment
  - The travel is undertaken to an alternative destination which is not a regular place of employment
  - The employee performs substantial employment duties at that destination
  - The destination was closer or more accessible to get to from home than the workplace or the visit was the first of a number of visits on the way to the normal workplace.What is not acceptable as business travel e.g. is incidental tasks enroute such as collecting the mail or newspapers or collecting dentures from the lab enroute to the surgery.

### CHANGE IN TAX RATES

From 1 July 2018, subject to legislation, the personal income tax rates increased the 32.5% tax bracket from \$87,000 - \$90,000 for residents. The temporary budget levy of 2% ends on 30 June 2017, you will need to make sure you load the new tax rates into your software.

The Medicare Levy is proposed to be increased by 0.5% as of 1 July 2019.

For companies that qualify as a Small Business Entity (i.e. with an aggregated turnover of less than \$25m), the Tax rate is 27.5%. The aggregate turnover has increased from \$10m in 2016/2017 to \$25m in 2017/2018, meaning more companies will now be classified as small business entities and receive the lower tax rate however, other small business concessions are subject to various other conditions.

### WORKING HOLIDAY MAKERS

To employ a working holiday maker in Australia on a Visa 417 or 462 you must register with the ATO to withhold tax at the working holiday maker tax rate before making your first payment to them. Penalties may apply if you fail to register.

Working holiday makers are taxed at 15% from the first dollar earned, regardless of their residency status. Working holiday makers can't claim the tax free threshold and must provide you with their Tax File Number. If they don't then you will have to tax them at the top tax rate.

### PAYROLL TAX

If you are an employer of part of a group of employers, who pays taxable wages in Queensland and your wages are over the thresholds below, you must register for payroll tax with the Office of State Revenue: (NOTE: these thresholds may change subject to the Queensland Budget due this week)

Weekly Threshold: \$ 21,153  
Monthly Threshold: \$ 91,666  
Annual Threshold: \$1,100,000

The tax rate that applies is 4.75%. There are some exceptions, particularly for apprentices and trainees.

Taxable wages, typically all wages, superannuation, benefits and allowances, including salary sacrifice are included. In general, wage payments are liable for payroll tax if they are a reward for services rendered by an employee, deemed employee or director.

## Topics:

*Payroll  
Tax (cont)*

*Land Tax*

## ATO Items (continued)

### PAYROLL TAX (CONTINUED)

There are certain payments that are exempt, such as parental pay, military leave, genuine redundancy payments, apprentice wages if under a genuine apprenticeship, employees who work for Queensland Hospital and Health services, Queensland Government departments, Public Hospitals, Exempt Charitable institutions and local authorities or Councils. You can find the full list on the Office of Fair Trading website.

Most employers will need to lodge monthly payroll tax returns, usually by 7<sup>th</sup> of each month and instead of a June return, you will lodge the annual return. This is due this year by 23 July 2018.

### LAND TAX

Land Tax is state tax, calculated on the freehold land you own in Queensland at midnight on 30 June each year. For example the land tax for the 17-18 year was calculated on 30 June 2017.

The tax rate that applies depends upon what type of owner you are, the total taxable value of your land and if any exemptions apply.

You are liable when the total taxable value of your land is:-

- \$350,000 or more – for companies, trustees or absentees
- \$600,000 or more – for individuals

#### Rates for individuals:

Total Taxable Value	Rate of Tax
\$0 - \$599,999	\$0
\$600,000 - \$999,999	\$500 plus 1c for each \$1 over \$600,000
\$1,000,000 - \$2,999,999	\$4,500 plus 1.65c for each \$1 over \$1,000,000
\$3,000,000 - \$4,999,999	\$37,500 plus 1.25c for each \$1 over \$3,000,000
\$5,000,000 and over	\$62,500 plus 1.75c for each \$1 over \$5,000,000

#### Rates for companies:

Total Taxable Value	Rate of Tax
\$0 - \$349,999	\$0
\$350,000 - \$2,249,999	\$1,450 plus 1.7c for each \$1 over \$350,000
\$2,250,000 - \$4,999,999	\$33,750 plus 1.5c for each \$1 over \$2,250,000
\$5,000,000 and over	\$75,000 plus 2c for each \$1 over \$5,000,000

#### Exemptions:

You can claim a home exemption on land or part of the land that you use as your home (provided it is in your own name), you can only have one property as your home, whether it is in Queensland or elsewhere. To claim this exemption you need to complete and lodge the necessary form.

If all or part of the land is used solely for the purpose of primary production you may be eligible for an exemption, again the relevant form needs to be completed and lodged.

Other exemptions that can be claimed are moveable dwellings (caravan parks) exemption, Charitable Institutions exemption, Aged Care facilities, Retirement Villages, Supported Accommodation, Society, Club or Association.

## Other Information

### Topics:

*Specialist  
Advice*

*Review &  
Seminars*

*Your  
Valued  
Feedback*

*Our  
appreciation*

#### **SPECIALIST ADVICE**

We understand that there are many specialised areas and where we feel external specialist knowledge is required, with your prior consent, we will engage an appropriate person.

#### **REVIEWS AND SEMINARS**

We are happy to arrange visits to your business premises if you would like us to review your Office & Accounting procedures.

We are also able to conduct seminars and training sessions for you either at your business premises or our Office, in areas such as record keeping, GST, BAS, FBT, Superannuation or Financial Planning. We would welcome any suggestions in this area.

#### **YOUR VALUED FEEDBACK**

If there is other information you would like us to include in future newsletters please let us know. We always welcome constructive feedback as it is your requirements that we aim to satisfy.

#### **OUR APPRECIATION**

We appreciate your continued use of our firm as your Accountant and Adviser and we look forward to providing professional services to you in the future. If you are happy with the services we have provided we would appreciate your referrals to potential new clients.