



[contents]

Yes, it's Tax Time Again	1
What's New for the 2018/19 Year?	2
How to Provide Your EOFY Documentation	3
Business Clients – Important Deadlines	3
Business Advisory & Property Investing	4
Tax Return Checklists	5-6



Yes, It's Tax Time Again!

Incredibly, another twelve months has passed. It's amazing how fast time flies!

Before we jump into the important contents of this Newsletter, I wanted to first thank you for your support and patronage throughout the year.

At Knox Tax, the relationships we develop with our clients are very important to us. So, we always look forward to the end of financial year and being able to catch up with you all on how your year has been – whether it be wins, challenges or future plans.

We pride ourselves on our culture of being approachable, friendly and caring; always endeavoring to provide the best possible service to all of our clients.

I am very proud of our wonderful team this year. I love their enthusiasm and loyalty. At Knox Tax, our motto is "you're in good hands", and we truly aim to stick by this each and every day. Although in some cases you may not like the outcome, our greatest interest is keeping you safe.

This year, we have introduced a new arm to our services by offering marketing advice and support for our clients. We may not build websites, but we can give you valuable advice, hints, and strategies to help you grow your business.

Marketing is so important, yet it is often an area that is given the least priority by many of our small businesses, particularly when they just don't know how or where to start.

Again, I wish you all the best for this financial year and look forward to seeing your familiar faces in the New Financial Year.

We would love to see your family & friends too :)

Warmest Regards,

Coral Page



Principal - Knox Taxation and Business Advisory

TAX RETURN CHECKLISTS

Our easy to use tax return checklists are included on the back of this newsletter.

Save yourself and our team valuable time by following these checklists BEFORE attending your EOFY appointment.

Being appropriately prepared for your appointment and having all relevant documentation with you, will enable us to work together to get everything completed as quickly as possible.

You can download more detailed versions of these checklists [here](#).

*** If you haven't booked your appointment yet, we encourage you to lock in your dates asap before your accountant's diary fills up completely.**

Contact Us Today

t 03 9762 7344

e mail@knoxtax.com.au

www.knoxtax.com.au



What's New for the 2018/19 Year?

INDIVIDUALS

For the 2018-19 Income Tax Year, changes in the individual tax rates for Australian residents are as follows:

Taxable income	Taxable on this income
0 - \$18,200	Nil
\$18,201 - \$37,000	19c for each \$1 over \$18,200
\$37,001 - \$90,000	\$3,572 plus 32.5c for each \$1 over \$37,000
\$90,001 - \$180,000	\$19,822 plus 37c for each \$1 over \$87,000
\$180,001 and over	\$54,232 plus 45c for each \$1 over \$180,000

Note: The above rates do not include the Medicare Levy of 2%.

New Low and Middle Income Tax Offset

A new low and middle income tax offset applies for 2018–19, 2019–20, 2020–21 and 2021–22 income years.

Australian resident individuals (and certain trustees) whose income does not exceed \$125,333 are entitled to this new Low and Middle Income Tax Offset.

Entitlement to the new offset is in addition to the existing low income tax offset, and is available on assessment after you lodge your income tax return.

COMPANIES

The Corporation Tax Rate for companies that have an aggregated turnover of less than \$50 million and are carrying on a business **has been kept at 27.5%**.

Prior to this the 27.5% rate was only available to companies with an aggregate turnover of \$25 million.

Expanding Accelerated Depreciation for Small Businesses

The accelerated depreciation provisions for small businesses (that was introduced in the 2015-16 Budget) has been extended to include assets purchased up until 30 June 2020 as long as each depreciable asset costs less than \$25,000 or \$30,000 (gst exclusive) depending when the asset was purchased.

The following thresholds apply:

- **From 7.30pm (AEST) on 12 May 2015 until 28 January 2019**
- You can immediately deduct the business portion of most depreciating assets costing less than \$20,000 each.

- **From 29 January 2019 until before 7.30pm (AEDT) 2 April 2019**
- You can immediately deduct the business portion of most depreciating assets costing less than \$25,000 each.

- **From 7.30pm (AEDT) on 2 April 2019 until 30 June 2020**
You can immediately deduct the business portion of most depreciating assets costing less than \$30,000 each

The balance of the general small business pool is also immediately deductible, if the balance is less than \$30,000 at the end of an income year. Given that it ends on or after **12 May 2015** and on or before **30 June 2020** (including an existing general small business pool).

Removing Tax Deductibility Of Non-compliant Payments

From 1 July 2019, you can only claim deductions for payments you make to your workers (employees or contractors) where you have complied with the pay as you go (PAYG) withholding and reporting obligations for that payment.

Any payments you make where you haven't withheld or reported the PAYG tax are called non-compliant payments. You won't be able to claim a deduction if you don't withhold any PAYG tax or report the PAYG tax to the ATO. If you make a mistake and withhold or report an incorrect amount, you will not lose your deduction.

SINGLE TOUCH PAYROLL

The first year of single touch payroll (STP) for employers with 20 or more employees is soon to end.

This means that those employers are not required to provide payment summaries to their employees or lodge with the ATO the PAYG annual payment summary for information they report and finalise through STP.

In addition, their employees are not required to be issued with an annual payment summary – instead employees can access their income statements via myGov.

An employer who started reporting in the 2018–19 financial year also has until 31 July 2019 to make the finalisation declaration to state that you have completed your reporting for the financial year.

Employee payment summaries and PAYG payment summary annual reports will still be required for all payments not reported and finalised through STP – due 14 July 2019 and 14 August 2019 respectively.

From 1 July 2019 Single Touch Payroll reporting is now mandatory for those employers with fewer than 20 employees

If some of these updates went straight over your head, don't worry. Give us a call on (03) 9762 7344, and your accountant will highlight what updates relate to you and will be able to simplify it in a way that you can understand.

How To Provide Your Documentation

DURING APPOINTMENT	MAIL SERVICE	ONLINE CLIENT PORTAL
<p>If you usually have a one-on-one meeting with your accountant at the end of financial year, please bring all relevant documentation with you to your appointment.</p> <p>Call us on (03) 9762 7344 to book a time.</p>	<p>If you have simple tax affairs or difficulty finding time for an appointment, you can drop your docs into reception or send them via mail/email. Payment Summaries, scanned documents or electronic files can be uploaded to our online portal.</p>	<p>If you prefer to receive and send all documents online, you can use the online client portal on our website.</p> <p>To get set up on the portal, give us a call and we'll walk you through the process.</p>

** Note: If your employer is part of the Single Touch Payroll regime, you may not receive a copy of your payment summary like previous years. If this is the case, don't worry, we can usually access it online via the ATO portal.

Business Clients - Important Deadlines For 2018/19

With Single Touch Payroll (STP) now compulsory for all employers from the **1st of July 2019**, the requirements and rulings for the below could change next financial year.

As an example, FY19 will be the last year that you'll need to send payment summaries to your employees and manually to the ATO. It may also become unnecessary for business owners to be added to an extension list (as included below).

EOFY TO DO LIST	ONLINE CLIENT PORTAL
Employee Payment Summaries must be given to your employees (If not already a part of the STP regime)"	14th July, 2019
The PAYG Payment Summary Statement , along with copies of Employee Payment Summaries, must be sent to the ATO	14th August, 2019
Construction Industry Contractor Reports **Please note the ATO are now requiring Construction, Cleaning and Couriers to report as well.	28th August, 2019
If you are in business and paying yourself a wage (e.g. you are a Director of your own company with no other employees), you need to contact us to go onto the 'extension list' . This gives you an extended due date for Payment Summaries to be prepared and lodged with the ATO, that being the date that your Business Tax Return is due.	15th September, 2019
Employers to pay their employees' SGC by this date so they can claim a deduction for the 2018 year. Superannuation payments made after this due date are NOT tax deductible.	28th July, 2019

**And don't forget to update your software with new tax tables.

With Us, You're in Good Hands...

The Team @
Knox Tax



Coral Page



Judy Poulter



Craig Bull



Simon Kingdom



Kyle Adams



Kylie Ives



Megan Peake



Julie Adams



Stephanie Varga



Ashleigh Page

Business Advice & Guidance

- Do you feel stressed when it comes to managing your finances?
- Do you feel worried about where your money and profits are going?
- Is your business underperforming compared to your expectations?
- Are you paying more tax than you need to?

If you answered yes to any of these questions, it could be time to check out our business advisory services.

At Knox Tax, we take great pride in mentoring our clients through all stages of the business life cycle including:

- Giving you a holistic insight into the performance of your business
- Identifying areas of opportunity to improve your profits
- Helping you understand the financial implications of decisions BEFORE you make them
- Preventing you from paying more tax than you need to
- Supporting you through business challenges and losses
- Helping you manage your finances by setting budgets and tracking your cash flow
- Advising you during times of personal crisis that may impact your business
- Helping you overcome tax-related issues or concerns with the ATO

Whether you're a start-up, a developing business or an established business, our accounting and business advisory services will always be available to you. **Read more about our business services [here](#).**

Small Business Marketing

- Do you have trouble attracting or retaining customers?
- Do struggle with getting the word out about your business and what you do?

We've recently added small business marketing support as another branch to our business advisory services including:

- Small business marketing tips relevant to your industry to attract more customers
- Social media account set-up to improve your presence online
- Website design tips and advice to improve customer enquiry

If you'd like to learn more about marketing, **[click here](#)**.

Property Investment

- Are you a property investor or planning to invest in the near future?

The Australian Tax Laws regarding property investment and capital gains (and sometimes losses) are ever-changing. With our professional knowledge and advice, we can help you to:

- Legally minimise your personal tax liability
- Implement tax-effective strategies
- Become more knowledgeable about property related taxes, including Capital Gains Tax.
- Understand the financial implications of decisions before you make them.

The very best advice we can give you is to think hard about investment decisions, ask the right questions, learn from the professionals at your fingertips and do your homework.

[Click here](#) to read more about our services for property investors.





The following checklist will help you to gather the records and information that we will need to prepare your income tax return for 2018/19. **Completion of your return may be delayed if any of the following records or information is missing.**

INDIVIDUAL TAX RETURN CHECKLIST

2018/19

INCOME

- Income statements or payment summaries for **wages, termination amounts, superannuation pensions and lump sums, government pensions and allowances** and any payment received under the **first home super saver scheme**. Some may be in your MyGov account.
- Letters and schedules for **superannuation** pensions.
- Interest** received or reinvested and any tax withheld.
- Dividends** received or reinvested and any tax withheld.
- Partnership** and/or **Trust** income.
- Managed Funds** (investments) Tax Statements.
- Managed Funds** Capital Gains Tax Statements (if there were any disposals during the year, incl rebalancing).
- Details of **Business Income and Expenses** (cash book, software reports/backup/login) incl GST info if applicable.
- Sale and purchase documents for any assets acquired after 19 September 1985 and sold during the year (contract date) for **Capital Gains Tax** calculations (e.g. shares, rental property, holiday home, vacant land, etc).
- Life Insurance Company & Friendly Society **Bonuses**.
- Rental Property** income & expenses, including agent's annual or monthly statements, interest on loan(s) and a summary of any other expenses paid directly by you. Also supply copy of page 1 of the contract, your solicitor's letter, settlement sheets and a depreciation report if a property was acquired during the year.
- Forestry Managed Investment Scheme** income.
- Employee Share Scheme** statement(s) for discounts received on employee shares or rights.
- Any **Other Income** incl **Foreign Income** (bring details).

DEDUCTIONS

- If you used your **car** for work purposes (excl travel between home and work - exceptions apply), provide an estimate of work-related kilometres or a list of car expenses and business use percentage from a log book.
- Summarise other **Work-Related Expenses**, incl **Travel, Clothing** and **Self-Education**, and we will advise on deductibility. If total work-related expenses exceeds \$300 (excl car expenses and claims against certain travel, meal and award transport allowances) you must have receipts to prove the total amount.
- Interest** on loans and **other expenses** for **investments**.

- Summarise **Donations** from your receipts. The receipt will indicate if the donation is tax-deductible.
- Tax Return Fee** for last year (if not prepared by us).
- Ongoing **Financial Planning** fees (excl initial costs).
- Income Protection** insurance premiums.
- Acknowledgment letter from your super fund if claiming a deduction for personal **Super Contributions**.
- Any **Other Deductions** (bring details)

TAX OFFSETS

- Private **Health Insurance** Statement if lodging before mid-August. Health funds are no longer required to send you a copy and they will be available on the ATO portal from mid-August, so request a copy if lodging before then.
- Spouse Superannuation** contributions made by you if your spouse's income was less than \$40,000.
- Location(s) and period(s) lived in a **Remote Area** or served with **Overseas Forces** for Zone Offset.
- Net Medical Expenses** Commencing with the 2016 returns, this offset can now only be claimed by taxpayers with net expenses for **disability aids, attendant care or aged care**. Net (out of pocket) expenses are your total eligible medical expenses minus refunds from Medicare, National Disability Insurance Scheme (NDIS) and private health insurers which you or someone else, received or are entitled to receive. If your **out of pocket** expenses for the year exceed \$2,299 (note income test apply and your threshold may be \$5,423), please provide details of those expenses.

OTHER INFORMATION

- The amounts of any **Tax-free Government Pensions** received and any **Child Support Payments** made by you.
- Copy of your **Spouse's Return** (if not being prepared by us) or income details if return not lodged/not required.
- Copy of your **Return for the Previous Financial Year** (if not prepared by us).
- Your **Bank Account Details** (BSB, Acct No, Acct Name). **Please note**, the ATO no longer issue refund cheques.

If you are unsure of whether certain items apply to you, feel free to contact us and we will run you through what is relevant to your situation.

BUSINESS RECORDS CHECKLIST

Please use the following checklist to gather your records and other information which we will need to complete your annual accounts and income tax return. **Completion of your work will be delayed if records are missing.**

NON-COMPUTERISED RECORDS

- Bank Statements for the **whole** year (check for missing pages and highlight non-income deposits)
- Cheque butts, deposit books and cash book (if kept)

V.I.P. - Please ensure that your records adequately describe the nature of each expense and receipt and clearly indicate on bank statements **all non-income deposits** and on cheque butts all **private withdrawals**.

Please also advise any income or expenses which DO NOT include **GST**, as we will assume GST is included in all income and business expenses which ordinarily include GST.

COMPUTERISED RECORDS

- MYOB & QuickBooks** - Either the login details and password for your cloud software, or if not on cloud, a backup of your data file, plus a copy of your Bank Reconciliation report and Blank Statement.
- Other Packages** - General Ledger, Audit Trail & Bank Reconciliation report & Bank Statement at 30 June.

OTHER RECORDS

- A copy of your **Business Activity Statements** covering the relevant financial year if not prepared by us.
- Copies of Existing **Loan Statements** (if any) for the whole year (check for missing pages) along with copies of Agreements for any **New Loan, Hire Purchase** and/or **Lease** that were entered into or commenced during the year.
- Employer copies of **Payment Summaries** and PAYG Payment Summary Statement for Wages paid during the year.
- Purchase and Sale documents for any assets acquired after 19 September 1985 and sold during the year for **Capital Gains Tax** calculations (e.g. shares, rental property, vacant land etc).
- Rental property** income and expenses, including agent's annual or monthly statements, interest on loan(s) and a

summary of any expenses paid by you direct. Please also supply solicitor's letter, settlement sheets and any other purchase documents if you acquired the property during the year.

OTHER INFORMATION

Please also provide the following information if it is not shown in your accounting records –

- A summary of business expenses paid by **Credit Card** showing the nature of each expense.
- A summary of business expenses paid with **Cash** showing the nature of each expense and the source of funds used (e.g. cash takings, drawings, own funds etc).
- Details of **Income** not banked through your business account.
- Debtors** list (amounts owing to you) at the end of the year or period.
- Creditors** list (amounts owing by you) at the end of the year or period with individual totals for each category of expense (e.g. stock, advertising, motor vehicle expenses, telephone etc.).
- List **Stock** on hand at the end of the year or period and cost thereof **excluding GST**.
- Annual summary of **superannuation** obligations by employee and amounts and dates of required contributions and dates paid.
- Details of **Interest, Dividends** or other **Investment Income** received during the year or period.
- Details of any assets appearing on the **Depreciation Schedule** from last year which were sold, scrapped or otherwise disposed of during the year or period, including dates and proceeds of disposals.
- New Clients** should provide a copy of their most recent Financial Report and Tax Returns(s).
- Other** -