

## **Knox Taxation and Business Advisory - Tax e-Newsletter**



## **Welcome to EOFY!**

By Coral Page (Principal)

Another year has flown by, and even though we are well past enduring lockdowns, it has been a challenging year, particularly for many of our businesses.

We have a dedicated, extremely competent and close knit team who care very much about our clients. We keep up to date with tax law changes, embrace technology, and despite the WFH trend, we have most of our team in the office each day. So, for our clients who like the personal touch, love to pop in and talk to us face to face, we are there for you.

This year we welcome Matt Glover and Rachel McPhee to our team. Matt is a Senior Accountant with over 20 years accounting firm experience and he is looking forward very much to getting to know our clients. Many of you find yourself chatting to Rachel as our part time receptionist.

We are not just about "tax" - our team can assist our clients navigate all sorts of life events such as deceased estates, divorce, buying and selling property, retiring, starting or closing your business..... More than ever we are helping our business clients understand what is happening in their business, and help plan cashflow.

## **KEY TOPICS:**

**Welcome To EOFY**

**Providing your Information**

**Tax Audit Insurance**

**Small Business ATO Boosts**

**Important Tax Info  
- Claims & Super**

**What You Need To Know**

**Important Business Info**

**Important Business Deadlines**

## **Contact Us Today!**

**T: (03) 9762 7344**

**E: [mail@knoxtax.com.au](mailto:mail@knoxtax.com.au)**

**W: [www.knoxtax.com.au](http://www.knoxtax.com.au)**



INSTITUTE OF  
PUBLIC  
ACCOUNTANTS

We do have some good news for small business – the Small Business Technology and training boost which has been on the table since March 2022 has finally been legislated, and gives an extra tax deduction for technology and staff training expenditure.

The ATO is targeting working home deductions this year. Because of the volume of taxpayers now claiming these, the ATO has tightened the rules significantly. Have a look at our link under our Working from Home Deductions to see the new substantiation rules.

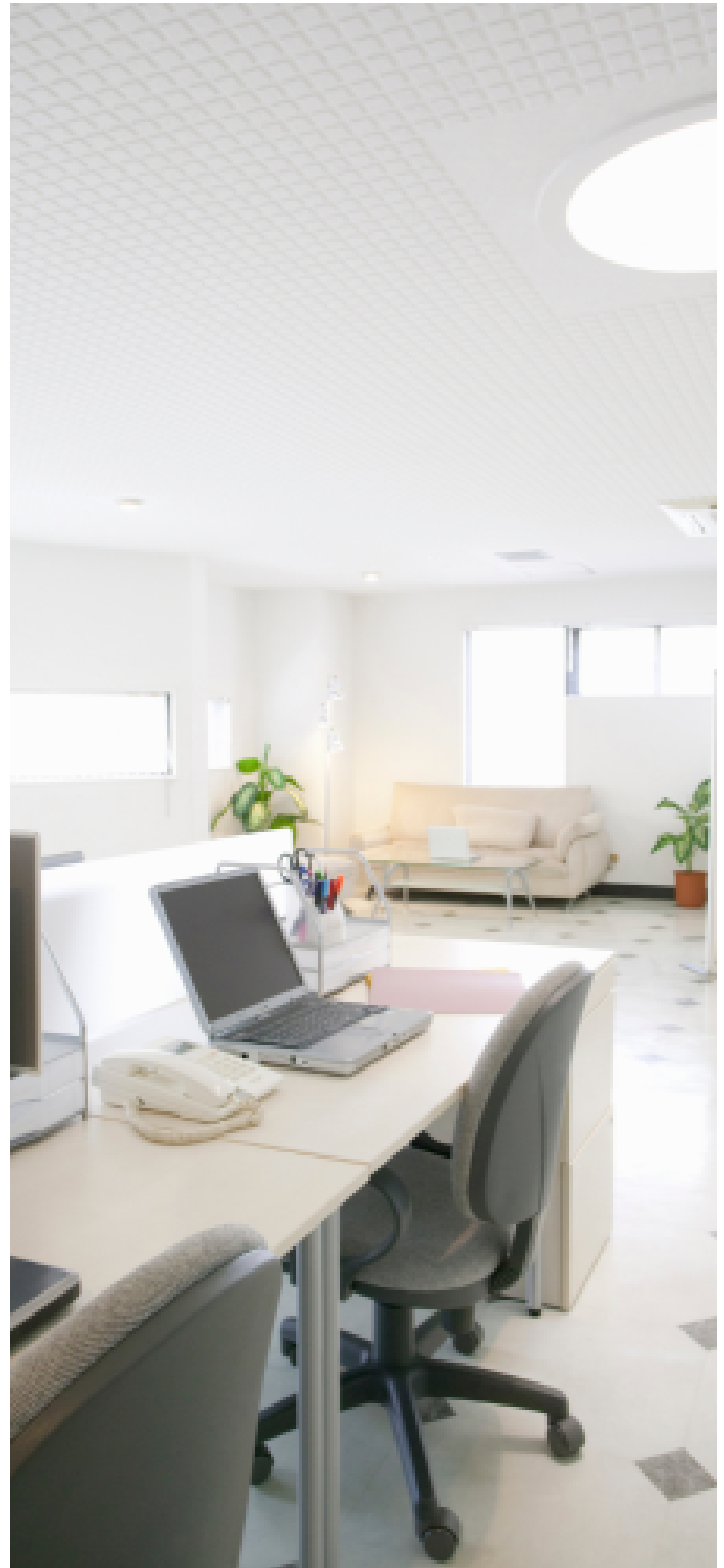
We will help you navigate these new rules to get the best possible outcome.

The not so good news is that, while we will do everything we can to legally maximise your tax refund, and minimize tax payable, the removal of the low and middle income offset as part of the May 2023 budget has affected refunds for the 2022/2023 year.

We know how people are hurting with the interest rate rises, energy prices, and general uncertainty, but we need to stay positive, just hang in there with Stage 3 tax cuts due to start from 1 July 2024.

We look forward to being there to support you.

Coral



## 2023 TAX CHECKLISTS

[Get Your 2023 Tax Return Checklists Here.](#)

Save yourself valuable time by downloading our tax checklists and getting organised BEFORE attending your appointment.

# Providing Your Documentation

**We are now back in full swing and offering Face-Face appointments!**

We will continue to strive to fulfill your needs as best we can, and complete your work at a high standard within reasonable time.

**Before you come in for your appointment, there's a few things you need to know:**

- Going forward, you will not receive your payment summary from your employer. But don't worry, we should be able to access everything we need from the ATO portal
- Some information from third-parties may not be available until the end of July / mid August. This means that we may not be able to complete or lodge your tax return at the time of your appointment.

If you are yet to book your appointment, please give us a call so we can find a time that suits you.

Our diaries are filling up very quickly so it's best to jump in early!

## FACE-FACE APPOINTMENTS

If you prefer to 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.**

Call us on (03) 9762 7344 to book a time.

## PHONE APPOINTMENTS

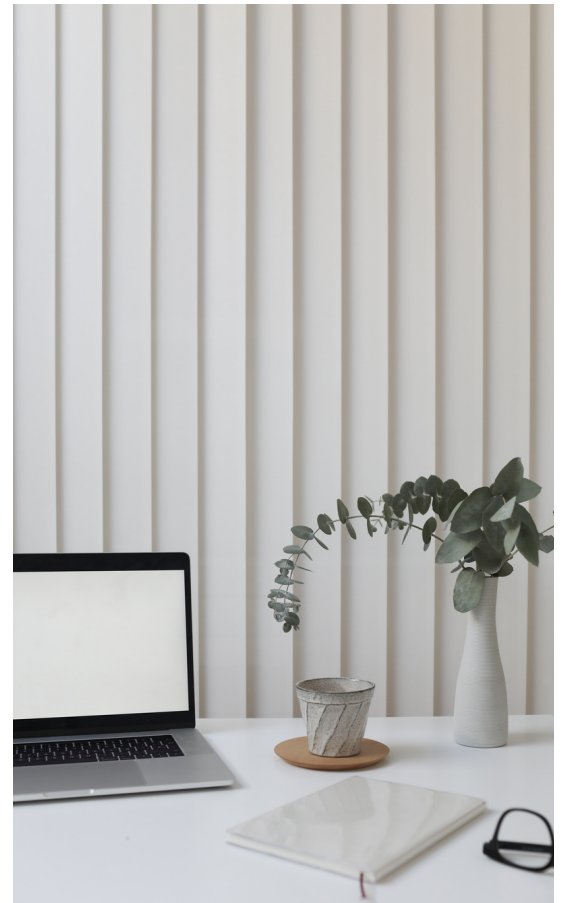
If you'd like a phone appointment, please give us a call on (03) 9762 7344 and we will schedule a time.

## MAIL SERVICE / CLIENT PORTAL

If you have simple tax affairs or difficulty finding time for an appointment, you can provide us your documents by:

- Dropping them off at reception
- Sending them into us via mail or email
- Uploading them to us via our secure Online Client Portal.

If you'd like to be set up on the portal this year, give us a call and we'll walk you through the process.



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# Tax Audit Insurance

**Given the trillion dollar National debt, the ATO is on an even greater quest to garner funds and audit (review) is becoming even more of a focus for them.**

When we think of an audit, we tend to think of a full blown desk audit with ATO officers present etc. – however these audits are rare, with most targeted to a specific item, such as a discrepancy in the BAS, repairs and maintenance for a rental property, or a car claim,

With Artificial Intelligence and data matching on their side, and watching social media, it is incredible just how much information the ATO has.

**Cryptocurrency is on their radar, and they are threatening to audit working from home expenses given this is now a large deduction in returns.**



When we receive audit notifications from the ATO, we always breathe a sigh of relief when we see our client has insurance in place. Even for seemingly simple reviews, going through an audit is onerous – with source documentation needing to be provided, explanations made, and multiple communications with the Tax Office. Some ATO officers make a review a very stressful exercise.

It can be expensive and even if the claim is correct, accounting and/or specialist fees can add up.

**To this end, we have, in the last week, sent an offer to gain audit insurance to our entities and clients with investment properties. The Insurance company we work with is Audit Shield.**

We would however recommend that if you have cryptocurrency, expect a capital gain, have high work related expenses, or a car claim, that you take up the offer as the premium is just \$165 for a couple and covers prior years as well.

**We at Knox Tax are always happy to discuss if there are potential red flags in your return, putting you at risk.**

## Small Business ATO Boost

The Australian Taxation Office has offered two new boosts this year for small businesses. The boosts are Small Business Technology Investment Boost & Small Business Skills and Training Boost.

To find out more about these boosts and if they apply to your business, [click here](#) to be re-directed to our blog!

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# Important Info on Claims & Deductions



## 1) Working From Home Expenses

If you have incurred additional expenses due to working-from-home, ensure you read about what you need to prepare in the article below:

- ARTICLE: [Working from home deductions](#)

In this article you will find the following information:

- 1.The conditions for claiming working from home expenses
- 2.What expenses you can and cannot claim
- 3.Calculating your expenses
- 4.Records you must keep

Now is the perfect time to start gathering your receipts and documentation in readiness for the end of financial year.

## 2) Personal Super Contributions

If you are planning to claim deductions for personal super contributions made during the year in your tax return, there are some key things that you must do.

You must:

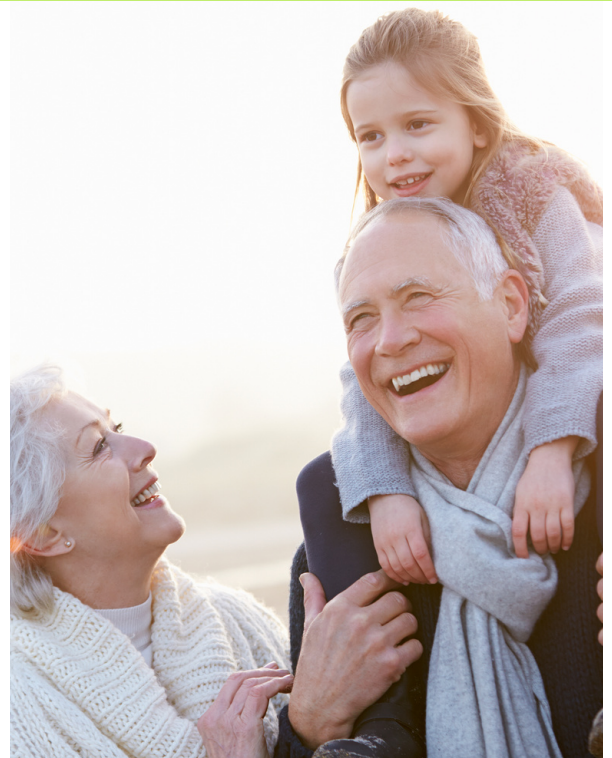
- 1) **Submit a “Notice of Intent”** to claim a deduction for personal contributions

[Click here](#) to access a Notice of Intent form

- 2) **Receive an “Acknowledgment”** back from your Superfund, confirming that they have processed your notice of intent

- 3) **Provide the Acknowledgment** to your accountant

Until we have this information, we are unable to claim this super deduction in your tax return.



[CLICK HERE TO DOWNLOAD YOUR 2023 TAX CHECKLISTS >](#)

# FY 2023/24 - What You Need to Know!

## LOW & MIDDLE INCOME TAX OFFSET IS NO LONGER APPLICABLE

The ATO have advised that the low & middle income offset (LMITO) of \$1,500 ended on 30 June 2022 & will not continue into the 2023 Financial Year.

This now means that if you are a low/middle income earner, you will not receive this offset in your 2023 return, and the outcome of your return may be significantly lower than expected.

Please keep this in mind when it comes to completing your tax return for the 2023 Financial Year.

Although, the LMITO offset is no longer available, there is an offset for low income earners.

Please refer to this Low Income Tax Offset table to determine if you are eligible to the low income tax offset	\$37,500 or less, you will get the maximum offset of \$700
	between \$37,501 and \$45,000, you will get \$700 minus 5 cents for every \$1 above \$37,500
	between \$45,001 and \$66,667, you will get \$325 minus 1.5 cents for every \$1 above \$45,000.

## Temporary Full Expensing for Businesses

Temporary full expensing will end 30 June 2023. This means that from 1 July to 30 June 2024, the instant asset write off threshold will be \$20,000 per asset.

This means that eligible businesses with revenue under \$10 million will be able to write off the full value of eligible assets up to \$20,000 that are first used or are installed ready for use during FY 2023-24.

Eligible businesses will be able to claim a bonus tax deduction of 20% for spending on assets that supports electrification and energy efficiency that are installed during FY24 with a maximum claimable expenditure of \$100,000. This sets a ceiling of \$20,000 as the maximum bonus tax deduction.



Scheme/initiative	Benefit	Asset eligibility	Business eligibility	Eligibility period
<b>Instant asset write off</b>	Immediately deduct the full cost of eligible assets.	Assets must not cost more than \$20,000 per asset. Multiple assets can be claimed.	Aggregated turnover of less than \$10 million.	Must be first used or installed ready for use in FY24.
<b>Small Business Energy Incentive</b>	Bonus tax deduction of 20% of spending on eligible assets or upgrades.	Must support electrification or energy efficiency. Up to \$100,000 of total expenditure.	Annual turnover of less than \$50 million.	Must be first used or installed ready for use in FY24.

IF YOU WOULD LIKE TO LEARN MORE ABOUT WHETHER THIS COULD APPLY TO YOUR BUSINESS, PLEASE GIVE US A CALL - (03) 9762 7344.

# Important Deadlines for Businesses

EOFY TO-DO LIST	DEADLINE:
<b>Single Touch Payroll (STP) Finalisation</b> STP is now mandatory for all businesses with employees that are not direct family members.  If you are a business with 19 employees or less, Single Touch Payroll (STP) will need to be finalised in your accounting software by the end of July.	14th July, 2023
<b>Payroll Tax</b> Payroll tax applies if you pay wages in Victoria and your Australian wages exceed the <u>monthly threshold</u> of \$58,333.	Payment due 21st July, 2023
<b>Payroll Finalisation (Family-Only Businesses)</b> If you are a "family-only" (closely-held) business, please contact us if you need help with reconciling & finalising your payroll.	14th July, 2023
<b>Taxable Payments Annual Reports (TPAR)</b> Businesses and government entities who make payments to contractors may need to report these payments and lodge a TPAR. <a href="#">Click here</a> to find out if you need to lodge	28th Aug, 2023

## Super Guarantee Concessions

You must pay super for eligible employees.

To avoid the super guarantee charge (SGC), payments must be received by the employee's fund on or before the quarterly super due dates.

Quarter	Period	Payment due date
1	1 July – 30 September	28 October
2	1 October – 31 December	28 January
3	1 January – 31 March	28 April
4	1 April – 30 June	28 July

## CONTACT US TODAY

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 W: [www.knoxtax.com.au](http://www.knoxtax.com.au)

