

Autumn 2021

LODGING TAX RETURNS

Please bring in your information **ASAP** if you have not lodged your 2020 and prior tax returns.
DUE 15 MAY 2021.

- Best wishes from the team at GLR

Home Office Claims - 2020

Due to COVID-19 and the increase in employees working from home, a simplified method has been introduced that allows you to claim a rate of **80 cents** per hour for all your running expenses, rather than having to calculate the additional amount you incurred for specific running expenses.

The simplified methods will be available to use from 1 March 2020 until 30 June 2021. You may still use one of the existing methods to calculate your running expenses if you prefer to.

If you supply your working from home hours to us, we will assess which option is best for your tax return.



You can no longer claim travel expenses for your rental property

From 1 July 2017, travel expenses related to inspecting, maintaining or collecting rent for a residential rental property will be non-claimable. Travel claims for Commercial properties are still allowable.

Tax Relief for Individuals

The Government has brought forward 'Stage two' of their personal income tax plan by two years, so that, from 1 July 2020:

- The low income tax offset increased from \$445 to \$700
- The top threshold of the 19% tax bracket increased from \$37,000 to \$45,000; and
- The top threshold of the 32.5% tax bracket increased from \$90,000 to \$120,000.

In addition, in 2020/21 low and middle-income earners will receive a one-off additional benefit of up to **\$1,080** from the low and middle income tax offset

Tax Relief for Business

Businesses with a turnover of up to \$5 billion are now able to immediately deduct the full cost of eligible depreciable assets as long as they are first used or installed by 30 June 2022.

To complement this, the Government will also temporarily allow companies to offset Tax Losses against previous profits on which tax has been paid.

Small Business Asset Write Off

Small Business Taxpayers can claim an immediate deduction for assets they purchase and are ready for use, with different limits applying in the financial year as follows:

- 1 July 2019 – 11 March 2020 - \$30,000
- 12 March 2020 – 6 October 2020 - \$150,000
- 6 October 2020 – 30 June 2022 - Unlimited

ATO Visa Data Matching Program

The ATO will acquire visa data from the Department of Home Affairs for 2020/21 through to 2022/23 relating to approximately 10 million individuals for each financial year.

The data will be used to identify non-compliance with the obligations under taxation and superannuation laws, including registration, lodgement and reporting responsibilities.

STP data-sharing with Services Australia

Single Touch Payroll ('STP') allows the ATO to share data in real-time with other government agencies, to "help them deliver government services to the Australian community".

As part of the ATO's data-matching program, it has an STP data-sharing arrangement with Services Australia to help them administer Australia's welfare system.

This means that people who are on an income support payment from Services Australia and need to report their employment income fortnightly to Centrelink, will now see their employer details are pre-filled.

1.75% Minimum Wage Increase

NB: Effective from 1 February 2021 – 27 Modern Awards have increased. All employers should check their respective awards to see if you are effective. See the Fairwork website for more details www.fairwork.gov.au

Super work test age increased from 65 to 67 from 1 July 2020

Previously those who were aged 65 years or older were required to pass a 'work test' before being allowed to make a contribution into super.

From 1 July 2020 the government increased this age limit to 67.

LODGING OVERDUE TAX RETURNS

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Personal Super Contributions Tax Deductible for All Taxpayers

A reminder that all individuals 74 years or younger will be allowed to claim a tax deduction for personal super contributions made during the year, up to the \$25,000 annual limit (or higher if you have catch-up contributions rolled over from 2019) provided those over 67 can pass the 'work test'.

Catch-up Concessional Contributions 2019/20 is first year

Individuals with balances less than \$500,000 at the start of the financial year will be allowed to make additional concessional (tax deductible) contributions where they have not fully utilised the cap in prior years. Unused amounts will start rolling forward on a rolling basis for five years.

Reducing the minimum drawdown amounts for superannuation pensions by 50%

The Government will be temporarily reducing the superannuation minimum drawdown amounts for account-based pensions and similar products by 50% for the 2020 and 2021 income years.

GLR's Payroll Management Services

Yes, we do provide this service. Whether you are an existing Contractor or about to start, we can assist.

For further information, please email payroll@glraccountants.com.au, give us a call or visit our website www.glraccountants.com.au.

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