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Wishing you all a very Merry Christmas and a Happy New Year!

May you and your families have a safe, happy and fun Christmas. Thank you for your patronage in 2016 and we look forward to providing you with our best of service again in 2017.
Best wishes to you all from the team at **GLR**.

CHRISTMAS CLOSING DOWN PERIOD

N.B The office will be closed from 12pm Friday 23rd December to 8.30am Monday 9th January.

The Best Tax Deduction Ever!

Donating to charities will help those in need and is also a great way to reduce your tax bill.

GLR donates to various charities throughout the year, and as usual at Christmas, we also donate to **World Vision**, to help buy school kits for children overseas. We hope that education will provide them a better future and help break the poverty cycle.



Teacher denied deduction for business management course

A recent case before the AAT highlights how careful taxpayers must be when claiming deductions for self-education expenses.

The taxpayer was a classroom teacher (teaching psychology, chemistry, mathematics and science). He was also enrolled as a part-time student in a 'Postgraduate Diploma in Management' and he claimed a deduction of \$19,779 for 'work related self-education expenses'.

The AAT concluded that the course expenses, when considered as a whole, were not 'sufficiently connected' with the taxpayer's employment as a classroom teacher so as to warrant deductibility.

ATO warns about aggressive phone scams

The ATO is again warning the public to be aware of a phone scam that is circulating, where fraudsters are intimidating people into paying a fake tax debt over the phone. The aggressive scam attempts to force people to pay a fake tax debt immediately by threatening arrest if they don't comply.

If any client receives a call from the ATO they are unsure about we recommend that they should ask for the caller's name and call us to confirm. The ATO will rarely call taxpayers directly.



SMSF Authorised Advisers

We are pleased to confirm that with new Legislation that came into effect from 1 July 2016, the Partners at GLR are still authorised to advise you on your SMSF, in accordance with new ASIC requirements. So you can rest assured that we are still able to continue providing you with the best advice and service as we have for many years. This will mean we may need to prepare more documentation at times, to comply with these new rules.

DIY Superfunds (SMSF)

More and more people are finding out that setting up your own Super Fund is a good idea. Usually, this is the case when leaving the Public Service but can be beneficial in other circumstances also.

The Benefits:

1. Control of your own money.
2. No management fees, or at least reduced.
3. More flexible investment strategies.
4. Lower cost structure.

If you are interested in setting up your own fund, please call us to discuss it in more detail.



House used partly for Business

Where an individual is using part of their home as a place of business and claiming deductions, this will affect the application of the CGT main residence exemption when the home is eventually sold.

That is, the main residence exemption is effectively reduced. So we recommend to consider carefully if it is worth claiming at all.

Change to the way taxpayers claim work-related car expense deductions

Taxpayers used to have four methods to determine their work-related car expense deductions.

From 2015/16 there are now only two methods. The '**cents per kilometre method**' and the '**logbook method**' .

The '**cents per kilometre method**' has been changed by replacing the three current rates based on engine size with one rate set at **66 cents per kilometre**, which applies to all motor vehicles.

The government says that these changes will enable taxpayers who drive electric and hybrid vehicles to claim on a cents per kilometre basis, which is not currently an option for them.

You are required to have a **log book** covering at least a **12 week** continuous period in the first year of operation. Log books are available at most newsagents and explain how to fill them in. There are also log book Apps available. Once prepared, the log book is **applicable for 5 years**.

Common Non-Deductible Claims

Grooming Costs:

Although an employee may be required to maintain a certain standard of appearance for their job, costs such as hairdressing, cosmetics, and suits are still generally not allowed. Not even Defence Force personnel get a deduction for grooming, even though military regulations demand it. TV presenters maybe the rare exception.

Driver's Licence:

Vehicle expenses such as repairs, interest on a loan and servicing may be claimable, but the cost of a driver's licence is not an allowable deduction as it is considered a private expense – even if it is a condition of employment. Neither are passports.

Volunteer Work:

No deductions are available to cover expenditure made while volunteering for a charity or other not-for-profit organisation. Not even car travel.

Tax help for people affected by severe weather in NSW

The ATO has advised that, if taxpayers have been affected by the recent severe weather throughout NSW, the ATO understands that dealing with their tax affairs is probably the last thing on their mind.

Taxpayers' tax obligations can be put to the one side until they have dealt with the immediate effects of the disaster – whether they are affected themselves, or are helping those affected.

Payroll Services for Contractors

Yes, we do provide this service. Whether you are an existing contractor or about to start, our experienced staff can assist you with this quality service at a competitive price. Try us.

For further information, please email Payroll@graccountants.com.au or give us a call

