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Winter 2020

The 2020 Tax Year is almost over and it's nearly time to do your tax returns again. Thank you once
- Best wishes to you all, from the team at GLR

COVID-19 and 2020 Tax Season

The health and ongoing support of our team, clients and the broader community remains our priority. With the easing of restrictions, we have recommenced face to face meetings at our GLR offices, however, will be limiting our appointment times to minimise the number of clients in the office at any one time. We thank you for your patience.

We request that you do not attend our office **AT ALL** if you are feeling unwell, have recently returned from overseas, been in contact with anyone exposed to the virus, have concerns about your health or have been directed to self-isolate.

If this is the case, we can arrange a phone or video appointment if necessary or we can reschedule. Also, you can still email us your tax return information or load them onto our website (contact Admin first for instructions on the website process).

We thank you for your continued support as we work together to ensure our clients and staff continue to stay safe and healthy.

Personal Super Contributions Tax Deductible for All Taxpayers

A reminder 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 65 can pass the "work test".

To claim a contribution in your 19/20 tax return your super fund must receive the contribution before 30 June 2020.



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.

You can confirm your contribution limit for 2019/20 via myGov or by contacting us.

LODGING OVERDUE TAX RETURNS

Please bring in your information ASAP if you have not lodged your 2019 and prior year tax returns.

Small Business Asset Write Off

Small Business Taxpayers can claim an immediate deduction for assets they purchase and ready for use, with different limits applying in the 2019/20 financial year as follows:

1 July 2019 – 11 March 2020 - \$30,000
12 March 2020 – 31 December 2020 - \$150,000

N.B. The government has extended the \$150,000 threshold until 31 December 2020.

No More Medical Expense Claims

A reminder the medical expense offset has been abolished since the 2015/16 financial year.

As you are no longer able to claim your medical expenses you do not need to provide them to us to complete your 2020 tax return.

This now also includes disability aids and nursing home fees, as 18/19 was the last year you could claim these.

STP Payment Summaries

The ATO has confirmed that employers who report through Single Touch Payroll (STP) are required to finalise their year end declarations for 2020 as follows:

- 14 July 2020 for employers with more than 20 employees
- 31 July for employers with 19 or fewer employees

Employers who finalise through STP are not required to provide payment summaries to employees. Instead employees will be able to access their payroll information through ATO online services (myGov) or via us.

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

Currently those who are aged 65 years or older are required to pass a "work test" before being allowed to make a contribution into super.

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

You can no longer claim travel expenses for your rental property

A reminder travel expenses related to inspecting, maintaining, collecting rent for a residential rental property or any other purpose, are no longer claimable since 1 July 2017. Travel claims for Commercial properties are still allowable.

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.

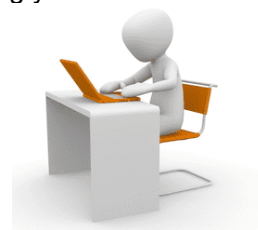
This simplified method will be available to use from **1 March 2020 until 30 June 2020**. You may still use one of the existing methods to calculate your running expenses if you would prefer to.

You can claim a deduction of 80 cents for each hour you work from home due to COVID-19 if you were:

- Working from home to fulfil your employment duties and not just carrying out minimal tasks such as occasionally checking emails calls; and
- Incurring additional deductible running expenses as a result of working from home.

You do not have to have a separate or dedicated area of your home set aside for working, such as a private study. It is available to all people working from home in the same house.

We will assist you with which claim is best for you when completing your tax return.



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.

Tax Saving Strategies Prior to 1 July 2020

The following outlines common types of deductible expenses claimed by individual taxpayers, such as employees and rental property owners, plus some strategies that can be adopted to increase deductions for the 2019/20 income year.

Equipment Costing \$300 Or Less

Salary and wage earners and rental property owners will be entitled to an immediate deduction if assets costing \$300 or less are purchased by 30 June 2020. (For jointly owned rental properties the limit is \$600). Some purchases you might like to consider include:

- Mobile Phones & Tablets (work use);
- Briefcases or luggage;
- Software and computer accessories
- Furniture, appliances etc.
- Tools of trade

Clothing Expenses

- Purchase or pay for work related uniform expenses (either with a logo, distinctive or protective clothing) prior to the end of the income year;
- Dry cleaning of work related clothing.

Self-Education Expenses

Pay for the following self-education items before the end of the income year:

- Course fees and tutorial fees; (not Commonwealth Supported Fees)
- Student union fees
- Travel Expenses
- Stationery and textbooks;
- Printer Ink and computer consumables;
- iPads or Tablets costing less \$300.

Businesses

For those in business you can implement the following to delay income into the next tax year or to bring forward some expenses into 19/20 financial year:

- Delay invoicing;
- Pay all your bills before 30 June;
- Pre-pay up to 12 months rent in advance (if your turnover is below \$10M)
- Purchase equipment costing less than \$150,000 (if your turnover is <\$500M)

Other Work Related Expenses

Prepay any of the following expenses prior to 30 June 2020

- Union fees;
- Subscriptions to professional associations;
- Magazine and newspaper subscriptions;
- Seminars and conferences;
- Phone or Internet expenses
- Work related travel
- Income protection insurance (excludes death & permanent disability);

Capital Losses

Capital losses can only be offset against capital gains. So if you have realised some capital gains this year, look at realising some capital losses before year end if possible to offset it, particularly if you have shares. However, be careful not to sell off shares you want to keep anyway.

Investment Expenses

Prepay any of the following expenses prior to 30 June 2020:

- Interest on rental property or share loans;
- Pay June quarter rates, land tax, body corporate levies in June.

Donations

Are a tax deductible means to reduce your taxable income and save some tax. You must make the gift to a registered charity which includes school building funds.



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