

## Judy's Diary

So many things have happened since our last newsletter, where do I start? Elysia and Adam got married in tropical Cairns on 5 September 2015 and enjoyed a honeymoon in New Zealand. Noel and I are happy to announce our second grandchild will be arriving late August 2016.

Kieran and Sarah got married in Brisbane on 1 November 2015 and holidayed in Thailand for their honeymoon.

On a personal note, I have taken up a new hobby and have become an avid sewer. In April 2016 I was lucky enough to embark on a patchwork and quilting cruise to New Caledonia where I learnt lots of new skills. I am loving being able to create and share my projects with family and friends.

It looks as though I have to admit defeat as my cherished blues lost the second game in the state of origin. Bring on 2017!!!!

The 2016 tax year hasn't seen many drastic changes made to the legislation. Of notability there are changes to the Zone Tax Offset, Net Medical Expenses Tax Offset and Motor Vehicle cents per kilometre.

If you have any questions please call our friendly staff who would be happy to discuss any of these articles further.

Yours in friendship and taxation,

*Judy*



### ZONE TAX OFFSET CHANGES

From 1 July 2015 in order to claim the Zone Tax Offset (ZTO) your usual place of residence **must** be within a prescribed zone. If your usual place of residence is **not** within a zone you are not eligible to claim the Zone Tax Offset. The ZTO will only apply to your usual place of residence and will exclude any travel to other zones.

Example 1) Levi is an engineer who lives in Brisbane. He flies to Port Hedland for 12 day shifts at an engineering firm and then travels back to Brisbane for his days off. As Levi's usual place of residence is not within a prescribed Zone, even though he is in Port Hedland for 183 days or more, he is unable to claim the ZTO.

Example 2) Jonte is an engineer who lives in Darwin (zone A) and travels to Kununurra (special zone A) where he is employed in the mining industry. He drives to work for 14 days on and drives home for 16 days off. Jonte is still able to claim the ZTO as his usual place of residence is in Darwin but he **cannot claim** the special area Zone A Offset for Kununurra.

## WHAT'S HAPPENING AT HCA

**Sara Laver** is expecting her first child in August this year. She will be on maternity leave from July 2016 until April 2017.

**Kathy Stanley** joined our team in April 2016. She brings with her 15 years experience. Kathy has a Bachelor of Commerce and is a registered Certified Practicing Accountant (CPA).

**Amanda Evans** is currently undertaking a Certificate 4 in Accounting. She will be assisting with the completion of our tax packs.

**Natalie Hurworth** is working towards obtaining a Diploma in Accounting.

**Lynda Neill** is now based in our Harbour City Accounting Rockhampton office, located at Soundbridge Financial Services, on Quay Street. If you would like an appointment with her, please contact our office.



### Harbour City Accounting Staff Happy Snap

**Absent: Lynda Neill & Kathy Stanley**

#### Changes to Claiming Work-Related Car Expenses

From 1 July 2015 the ATO announced that it will **abolish** the following methods used for calculating work related car expenses:

- 12 % of original value
- One third actual expense



They have also adjusted the cent per kilometre method. There will now be **one flat rate of 66 cents per km** claimable up to the maximum of 5,000km.

The Logbook method remains unchanged. This will impact many of you and see a reduction in refunds.

# Small Business Instant Asset Write-Off

Small businesses can still claim a deduction for business assets if they cost less than \$20,000 and were purchased between 7:30pm on 12 May 2015 and 30 June 2017.

The deduction can be used for each asset that costs less than \$20,000, whether new or second hand. The deduction is claimed through the income tax return, in the year the asset was first used or installed ready for use.



*From 1 July 2017, the threshold will return to \$1,000.*

## SuperStream



With the SuperStream deadline of 30 June rapidly approaching, **now** is the time for employers who are not yet using SuperStream to cross it off their to do list.

SuperStream is the new way employers **must** pay super. It means paying super and sending employee information electronically in a standard approved format.

There is a SuperStream solution to suit every business. Contact our office for further information.

**UPDATE:** Small businesses have been granted a short reprieve for implementing SuperStream. The deadline has been extended from the 30 June to 28 October 2016.

## Net Medical Expenses Tax Offset

The Net Medical Expenses Tax Offset (NMETO) is **only** available in the 2016 income year where eligible medical expenses are paid in respect of:

- Disability aids
- Attendant care expenses
- Aged care expenses

To be entitled to the offset total eligible out of pocket expenses must exceed **\$2,265**. If your income is more than \$90,000 for singles or \$180,000 for couples/families you must have eligible out of pocket expenses over **\$5,343** to be entitled to this offset.

## CONCESSIONAL CONTRIBUTIONS CAP REDUCTION COMING 2017

From **1 July 2017**, the government will lower the annual cap on concessional superannuation contributions to **\$25,000**.

Until this time, the existing concessional contributions cap, being \$30,000 for those aged 48 and under and \$35,000 for those aged 49 and over as at 30 the previous year, will still apply.

## Tax Cut for Small Businesses

From 1 July 2016 the company income tax rate will continue to reduce from 28.5% to **27.5%**. The reduction will apply to companies with an aggregated annual turnover of **less than \$10 million**.



**Did you know?** If you have linked the Australian Taxation Office with your myGov account your Notice of Assessment will be electronically sent to your inbox. This means you will no longer receive a posted paper copy.

## Superannuation Guarantee Payment Due Dates

Super is payable for eligible employees quarterly as per the due dates in the table below:

| 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          |

Contributions are considered paid when the super fund receives them. Missed payments may attract the super guarantee charge (SGC), which is not tax deductible. Similarly, the late super guarantee payment is also non deductible in the income tax return.

**Please Note:** When using a clearing house, super payments can take up to 10 days to be processed. Therefore they should be paid no later than the 18th of each month that payments are due.

**2016 ATO Targets: Work-related expense claims in relation to travel and motor vehicle use, meal allowance expense, rental property income and deductions, Zone Tax Offset, Invalid and Carer Tax Offset and Capital Gains Tax.**