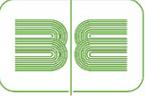


2015-2016 Tax Season Newsletter

Wendy J. Macdonald
accountants



Well here we are again, another tax year draws to a close and the 1st of July is upon us already.

Our team has expanded again this year as we take on Michael Hackett in the role of assistant accountant which is very exciting for all of us.

Ray Groves is still taking tax appointments allowing us to offer appointment times with either Ray or myself six days a week during peak periods over the coming months.

One thing you should be aware of is, for the first time in 32 years, I will taking the entire month of May off work. This means for all those late lodgers out there (you know who you are) you will have to get your work into the office by the February 28th in order to have it completed and lodged on time.

As always, take the time to read through this newsletter as some of the changes to the tax system mentioned within might very well apply to you.

I look forward to seeing you all throughout the coming year.

2015 – 2016 Appointment Times

Monday	9:30am – 5:00pm
Tuesday	9:30am – 7:00pm
Wednesday	9:30am – 5:00pm
Thursday	11:00am – 7:00pm
Friday	9:30am – 2:00pm
Saturday*	7:30am – 5:00pm

*Saturday Appointments: should you have an appointment on a Saturday you will be reminded by SMS 24 hours prior. Please ensure we have a current mobile telephone number when making your appointment. If you are unable to attend your Saturday appointment we ask that you give us plenty of notice as there is always a waiting list for these appointments.

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Tax lodgement for 2015

Generally speaking the deadline for lodging this year's income tax return is the 31st October 2015.

As clients of ours, you are entitled to our registered agent extension, which, in most cases, means your lodgement due date is actually 15th May 2016.

This extended due date is accorded to registered agents to enable them to deal with the large volume of tax returns they have to prepare throughout the year. It is not meant to allow clients to put off having their tax return prepared until the last possible minute.

This past year, on the 1st of May, we still had well in excess of three hundred clients who had yet to get their work into the office.

If your tax return is not lodged by May 15th you will not be entitled our agent extension the following year.

The ATO imposes an 85% lodgement benchmark on all registered tax agents meaning that the responsibility is

placed on our office to ensure that at least 85% of the clients we represent lodge their returns on time.

So we urge you all to please get your work into us sooner rather than later, to help us meet the targets set for us by the ATO and to ensure that you all get to continue taking advantage of the extension time granted to us.

Wendy is going to be out of the office next May so, if your work is not the office **by the last day of February at the latest**, then there is every possibility that your work will not be lodged on time.

Those of you who have non-standard due dates will be notified shortly by mail of your lodgement date for the coming year.

BSB details for companies and super funds

Last year the ATO required that all individual tax returns include bank account details for the direct transfer of tax refunds. This continues this year and has expanded to include self-managed superannuation funds and companies. You will be asked by our staff to provide BSB details if your company or fund is due a refund.



Budget changes

Temporary Budget Repair Levy

As part of the 2014-15 budget, the Federal government announced the introduction of the Temporary Budget Repair Levy (TBRL) to help bring the budget back to surplus. The TBRL effectively raises the highest marginal tax rate by 2% for taxable income exceeding \$180,000 per annum. This increase is reflected in the Tax Rates Table found on page 3 of this newsletter.

Expanded accelerated depreciation for small business

As you are all probably well aware, this year's budget introduced a proposed 100% write off for capital equipment under \$20,000. This legislation has now received royal assent and therefore law.

Trade Support Loans

Trade Support Loans (TSLs) are a Federal Government initiative which came into effect as of the 1st July 2014. These loans work similarly to the Higher Education Loan Program (HELP) by giving apprentices access to an interest free loan of up to \$20,000 to be paid back once the taxpayer's income reach the repayment threshold.

For the 2014-2015 income year this repayment threshold is \$53,345.

One thing to note is that if the taxpayer has both a TSL and a HELP debt, the HELP debt takes precedence over the TSL and must be repaid first.

For more information on TSLs, see the reference material links at the bottom of the page.

HELP repayments

Speaking of HELP debts, last year we reported that the HELP repayment threshold was expected to reduce by 2016. In fact the exact opposite has occurred.

The repayment threshold for the 2014-2015 financial year is \$53,345 per annum and will be \$54,126 for the 2015-2016 financial year.

It is also worth mentioning that Australian graduates living overseas are currently not required to make mandatory HELP repayments. It is the government's intention to require these graduates to make HELP repayments from the 2016-2017 financial year if they are living overseas in excess of six months and their worldwide income exceeds the repayment threshold.

Changes to tax offsets

As we reported last year, the *mature age workers tax offset* has been abolished this year. Those of you who have previously been able to claim this offset will no longer be able to do so.

This will be the final year you will be able to claim the *net medical expenses tax offset*. In addition in order to claim the offset, you must have claimed the offset in both the 2012-13 and 2013-14 financial years. Taxpayers with a disability can continue to claim the offset until 2019.

The *zone offset* is no longer available for "fly-in, fly-out" or "drive-in, drive-out" workers. The offset can now only be claimed by taxpayers that live in a zone.

Private Health Insurance Rebate

The Private Health Insurance Rebate (PHIR) has changed for the 2014-15 tax year. Consult the table below for the new rates for period 2 of 2014-15.

PHIR Income thresholds

Status	Single	Family
Base Tier	\$90,000 and below	\$180,000 and below
Tier 1	\$90,000 - \$105,000	\$180,001 - \$210,000
Tier 2	\$105,001 - \$140,000	\$210,001 - \$280,000
Tier 3	\$140,001 and above	\$280,001 and above

Additional child increment: \$1,500

Changes to work-related car expenses

The Government will make changes to the methods of calculation of work-related car expenses from 2015-16.

To date there have been four methods for calculating these expenses. Next year the "12 percent of original value" and "one third of actual expenses" will no longer be available to tax payers.

The existing "cents per kilometre" method will be simplified to one set rate of 66 cents per kilometre rather than the existing rates based on engine size.

The "logbook" method will remain unchanged.

Note that these changes will not affect existing salary sacrifice arrangements.

Introducing the MYOB Portal

Many of you would know of and possibly use the MYOB suite of accounting software. What you may not know is that MYOB is also the developer behind the software we use to lodge your income tax returns with the ATO.

This year MYOB announced an exciting new pilot program which will allow our practice to upload letters, financial statements, tax returns and other documents to a secure online portal for you to access from your computer or mobile device.

Important documents can then be accessed and actioned using digital signatures from anywhere in the world.

That's right, you can access your tax return and sign it from your phone and we will do the rest, no paperwork, no postage, no problems.

We will be trialling this system this tax season, so for all those tech savvy early adopters among you who are prepared to give it a go, please email wjmdigital@wjmacdonald.com.au to register your interest the trial.

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Reference Material

Trade Support Loans (TSLs)
<http://www.australianapprenticeships.gov.au/trade-support-loans>

Private Health Insurance Rebate
<http://www.privatehealth.gov.au/healthinsurance/incentivesurcharges/insurancerebate.htm>

SuperStream and Payment Standard
<https://www.ato.gov.au/Super/SuperStream/>

Division 293 Tax Project
<https://www.ato.gov.au/Individuals/Super/In-detail/Contributions/Division-293-tax-information-for-individuals/>



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