



ATO Update

JobKeeper Payments

Attention all businesses that have enrolled for JobKeeper and have already advised the ATO which month/fortnight to start paying JobKeeper payments to them.

The ATO is reminding all businesses enrolled for JobKeeper that in order to receive the monthly payments, a monthly declaration needs to be made online to the ATO.

This monthly declaration must be lodged by the 14th day following the end of the month, eg. The May 2020 declaration must be made between 1 June and 14 June 2020. The sooner the monthly declaration is made, the sooner the ATO will release the JobKeeper payments to your business!

JobKeeper Scam

The ATO recently alerted the public to a new JobKeeper scam, explaining that individuals have been asked for their bank account details by fraudsters pretending to be from the ATO.

The scammers calling members of the public pretend they need their bank account details to deposit the JobKeeper wage subsidy. However, the ATO has confirmed this is most definitely a scam.

"We're receiving reports of scammers pretending to be from the ATO calling members of the public and asking them to provide their bank account details," the Tax Office said.

"They are telling them that their employer has registered them for the JobKeeper payment, but that the ATO needs their bank account details to deposit the funds into their account."

It advised the public not to provide the information requested.

"Employees that are eligible for JobKeeper payments will be paid by their employer and the ATO will reimburse their employer for these payments. The ATO does not need the bank account details of individual employees," it said.

Individuals are encouraged to hang up the phone if they're unsure an ATO call is legitimate and call the Tax Office on 1800 008 540 to check.

Are You Interested In A Tax Planning Review?

With the end of financial year fast approaching, many of our business clients like to review their tax position and evaluate any year-end strategies that may be available to legitimately reduce their tax.

If you would like a review of your trading results for the current financial year before 30 June to discuss your options, please contact our office on (03) 5381-1088. We recommend that you make an appointment soon as available times are filling fast!



Staff Update

To assist you with planning appointments we wish to advise of the following staff members work movements:

Heather McPhee

After many years at as an integral part of our admin team, Heather has decided to retire. Her last day will be Friday 17th July 2020. We wish her a happy retirement!

Rod Taylor

Rod will be on leave from Monday 20th July until Friday 31st July 2020. He will also be away from Monday 17th August until Friday 28th August 2020.

Sharon Robertson

Sharon will be on leave from Friday 31st July until Wednesday 5th August 2020. She will return to work on Thursday 6th August 2020.

Instant Asset Write Off Deadline Is Near



The current \$150,000 instant asset write off for business is finishing on 30 June 2020.

The ATO has advised that from 1 July 2020 the instant asset write off threshold will revert back to \$1,000.

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Government Coronavirus Measures

1. Instant Asset Write Off

- For businesses with a group turnover less than \$500 million;
- Increase of the limit to **less than \$150,000** (after any eligible GST has been claimed);
- Assets must be first used or installed ready for use between 12 March 2020 and 30 June 2020. (Can be ordered prior to that date.)
- Can be new or used assets;
- Threshold due to revert back to \$1,000 on 1 July 2020;

2. Accelerated Depreciation

- For businesses with a group turnover less than \$500 million;
- Must be a **new asset** (not second hand).
- No cost limit;
- Only for depreciation assets like plant and equipment, eg. cannot be a shed;
- Applies for assets acquired between 12 March 2020 and 30 June 2021.
- A depreciating asset is not an eligible asset where a commitment to acquire was entered into before 12 March 2020. Invoices must be dated on or after that date, and no deposit paid prior to 12 March 2020.
- Claim 50% of the asset cost immediately, and normal depreciation for the balance. Small Business General Pools will get a depreciation claim of 57.5% of the GST exclusive cost of the asset in the first year.

Home Office Expenses

Due to the Coronavirus, many of us have been working from home for the first time, or on a more frequent basis. We recommend that you keep a diary of hours worked from home, and to provide that information for your tax return interview.

Home office claim rates for 2019/20 are:

- 52 cents per hour (July 2019 to February 2020)
- 80 cents per hour (March to June 2020)

Also keep invoices and receipts of other costs incurred for your home office, eg.:

- Computer/laptop
- Telephone and mobile phone
- Internet

You will also need to keep records to determine the business versus private percentages of each of these costs.



Coronavirus Scammers

Scammers are using COVID-19 in business email compromise scams to divert usual account payments to different bank accounts, Scamwatch has warned.

Coronavirus-related scams have so far cost Aussies over \$700,000, with the ATO issuing a fresh warning over a new JobKeeper scam.

Scamwatch has received over 2,000 coronavirus-related scam reports since the outbreak of COVID-19, with the most common scams including phishing for personal information, online shopping and superannuation scams.

The Australian Competition and Consumer Commission's Scamwatch warned that often scammers will attempt to impersonate the government agencies providing information on COVID-19 through text messages and emails "phishing" for personal information.

Instant Asset Write Off And The Car Limit

The ATO advises that although the instant asset write off threshold has increased to \$150,000 until 30 June 2020, when you purchase a passenger vehicle, you are limited to how much you can claim.

Please note that even if you have ordered and paid for your car, it is not deductible until you have received it.

Passenger vehicles are designed to carry a load less than one tonne and fewer than nine passengers.

What does this mean:

- The car limit for 2019/20 is **\$57,581**.
- Where you are able to claim GST, this figure is excluding GST.
- Any excess over the threshold is not claimable under any tax rules including the Accelerated Depreciation measure (above), and normal depreciation rules.
- Does not include motorcycles, trucks, or machinery.
- Does not apply to vehicles fitted out for people with a disability.
- Can apply to a ute that travels more than \$1,000 private kilometres in a year.



Extra Super Contributions

Many of us have good intentions of putting extra money into superannuation but don't always get around to it before the end of the financial year.

The cap for concessional superannuation contributions is currently \$25,000 per financial year. This includes the compulsory 9.5% of superannuation on wages, salary sacrifice super amounts, and other super amounts put in by you personally where you then claim a tax deduction.

If you currently have less than \$500,000 in total in your super fund, then you are now able to do a catch-up of concessional super in the 2019/20 and later financial years where you have not utilised the full \$25,000 cap in the prior year (2018/19 financial year only so far).

For example if you earn wages and your employer put in \$7,000 super on your behalf for the 2018/19 financial year, and you have already utilised the full \$25,000 cap for the 2019/20 financial year, you still have \$18,000 of superannuation contributions (from the 2018/19 financial year) available by you to be utilised prior to 30 June 2020.

Please discuss with your financial advisor if this may be applicable to you, and you would like to consider the utilising this measure.

MyDeductions – ATO App

myDeductions makes it easier and more convenient to keep your expense and income records in one place – on your smart phone/device:

- If you are an employee, you can use myDeductions to keep records of your work and general expenses and to make lodging your tax return easier.
- If you are not an employee, you can still record your general expenses, such as gifts and donations and the cost of managing your tax affairs.
- If you are a sole trader, you can use the myDeductions tool to keep records of your income and deductions.

Records You Can Keep

- Expenses and deductions;
- Vehicle trips;
- Income (if you are a sole trader)
- Photos of your invoices and receipts.

When it comes to preparing your income tax return, you can email your myDeductions data to BCH.

Here is a link to the [ATO App](#).

Deductions You Can And Can't Claim On Tax

We all like to reduce the amount of tax payable on our tax returns, however not all items are claimable, and some expenditure is only part claimable. Due to COVID-19, many of us are working from home more, so we may be incurring more costs for work purposes.

You should also consider that if the expenditure is work related, will your employer reimburse you, to give you an even better outcome cashflow wise? Below are some costs incurred at home:

Expense	Deductible	Restrictions
Phone calls	Yes	work portion only
Internet and mobile data	Yes	work portion only
Hardware like laptops & stationery	Yes	work portion only
Software subscriptions	Yes	work portion only
Furniture	Yes	work portion only; consider home office claim (above)
Coffee, tea, late night meals	No	Not deductible
Electricity	Yes	work portion only; consider home office claim (above)
Travel & parking costs	Maybe	Not for home office to work; business trips maybe.
Alcohol and snacks	No	Not deductible

Disclaimer: Many of the comments in this publication are general in nature and anyone intending to apply the information to practical circumstances should seek professional advice to independently verify their interpretation and the information's applicability to their particular circumstances. If you no longer wish to receive any client@lerts from BCH Accountants contact info@bchaccountants.com.au and insert **UNSUBSCRIBE** in the subject.

Office Admin/Receptionist Part Time / Full Time

BCH Accountants is offering an exciting Office Administration position to a motivated person to join their progressive and friendly Accounting Practice. The Practice is located in Horsham and has a large client base. Working in the Accounting, Taxation and Small Business industry offers variety, which can be both challenging and rewarding.

The position will be offered to the right applicant on a permanent part-time/full-time basis.

The ideal applicant will be team orientated, enjoy dealing with the public, organised, self-motivated, methodically pays attention to detail and understands the importance of client confidentiality.

The successful applicant will be part of a team which is responsible for the general day to day organisation and administration needs of the Practice. A thorough knowledge of Microsoft Word & Excel is essential.

Duties will include all aspects of Reception, collating Financial Statements, lodging Income Tax Returns, liaising with clients and preparation of ASIC Annual Statements.

When you join the BCH team, we will provide excellent training and professional development and an enjoyable work environment.

To express your interest or to obtain a job description, please forward your resume and references to

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Moving Overseas? Check Your Tax Status First

While moving overseas for work can be an opportunity for workers to enhance future career prospects, they are being warned to know their tax status.

It all depends on whether the Australian Taxation Office considers the individual to be an Australian resident for tax purposes.

If you're going overseas for good, for example, if you move to the UK because you get a job over there, you might buy a house, hook up with a partner, you decide to stay in the UK, you sever your tax ties to Australia and you no longer have to pay Australian tax.

Income earned in Australia will still be taxed in Australia, but foreign income will no longer be taxed in Australia.

In relation to any income that arises in Australia – for example, a rental property – you would still have to pay tax in regard to that. In terms of your UK income, the ATO could no longer touch that.

However where an individual only leaves temporarily and plans to return to Australia, the tax residency status is different.

In a scenario where you might move to the UK for a period of time but you always intend to come back, in that situation you'll often have to pay tax here in Australia in relation to your UK income because you have not severed your tax ties with Australia as you're still regarded as a tax resident in Australia.

The dividing line between going for good and going temporarily is quite a grey area. So, it's definitely worth while taking advice just to determine whether you'll have an Australian tax liability."

The ATO considers an Australian overseas as a tax resident if they:

- Reside in Australia
- Have a permanent home in Australia
- Have spent more than half of the financial year in Australia
- Are a government employee working at an Australian overseas post

Source: Nestegg.com.au

