

Burnett Business Centre

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Checklist for your individual tax return

- ✓ Details of salary and wage income - PAYG and ETP Payment Summaries (PAYG Summaries must now show the amount (if any) of **Reportable Employer Superannuation Contributions (RESC)** in addition to all previous information provided.) The most common example of RESC is an employee's total salary sacrificed contributions for the year.
- ✓ Details of foreign employment income - Payment Summary
- ✓ Employee share scheme information - a statement from your employer detailing any employee share scheme shares or options acquired.
- ✓ Commonwealth of Australia **Government Allowances** such as Newstart, Youth Allowance and Austudy
- ✓ Tax-free government pensions
- ✓ Interest received on bank accounts and term deposits (*it is important that you bring these details even though some of the information is available to us on the ATO prefilling report.*)
- ✓ Dividend statements - even for those dividends that have been reinvested (*it is important that you bring these details even though some of the information is available to us on the ATO prefilling report.*)
- ✓ Rental property details such as annual statement, income and expense details, investment loan statements
- ✓ Newly acquired rental property - quantity surveyors' report, purchase contract and settlement letter
- ✓ **Work-related deductions** - eg uniforms, work-related travel, income protection insurance, union dues, motor vehicle log book and expenses
- ✓ **Capital gains/losses** - details of purchase and sale of assets (including shares)
- ✓ **Investments** - annual tax statements from Managed Funds
- ✓ **Superannuation contributions** - if you made personal super contributions (not employer super or salary sacrifice), provide amount contributed and acknowledgement of intention to claim a deduction if applicable
- ✓ **Education expenses** (for primary and secondary school students) - if you have school age children, provide your children's details, as well as details of educational expenditure (note that not all educational expenses can be claimed)
- ✓ **Private health** details - Health Fund letter advising of membership details
- ✓ **Medical expenses** >\$2000 - details of out-of-pocket medical expenses where they exceed \$2000 (We may be able to access your Medicare annual statement via the ATO prefilling report if you provide us with **Medicare numbers for all family members.**)
- ✓ **Total amount of child support you paid**
- ✓ **Bank account details** - for any refund to be deposited directly into your nominated account. (*This is only available when your fee is paid on the day.*)
- ✓ **If your spouse does not have their tax return completed by the Burnett Business Centre, and you wish to claim certain offsets, you will need to provide the following information regarding your spouse:**
 - ▶ taxable income
 - ▶ total reportable fringe benefits
 - ▶ amount of Australian government pensions and allowances
 - ▶ amount of exempt pension income
 - ▶ reportable superannuation contributions (reportable employer plus deductible personal contributions)
 - ▶ net investment loss
 - ▶ child support paid
 - ▶ if aged 55 to 59 the amount of any taxed element of a superannuation lump sum they received.



Take care when compiling your documentation as the ATO matches information provided in tax returns with information it receives from external sources such as banks and public companies.

Out of pocket medical expenses

Some taxpayers are not aware that a refund may be available for out-of-pocket medical expenses. If the out-of-pockets for you and your family exceed \$2,000 for the year you may be eligible for a refund of 20% of the out-of-pocket expenditure that exceeds \$2,000. If you think you may be eligible, approach Medicare and your private health fund for an annual statement showing your out-of-pockets. If you have also purchased prescription medicines, your Chemist should be able to provide you with a detailed printout of your expenditure on these items for the year.



Managed fund annual tax statements

For taxpayers who have investments in a managed fund, please be reminded that your annual tax statement from your managed fund is required for us to complete your tax return. Generally, these statements are not issued by the funds until sometime in August or September.

Fast Tax Division

For salary and wage earners, Burnett Business Centre has a Fast Tax Division that is designed to complete your tax return on the spot. Your tax return can be signed and lodged in one visit provided you bring all the relevant information as outlined in the above checklist. (EFTPOS facilities are available.) To allow any refund you are to receive to be paid directly into your nominated bank account, payment is required on the day we prepare your tax return. By lodging your return in this manner you will have access to your refund in a much shorter time.

Please note: you will need to provide your 6 digit BSB (Bank Branch Number) and your Account Name and Number on the day of the interview.

Tax Rates

- From 1 July 2010, the maximum **low income tax offset** increases from \$1,350 to \$1,500
- Tax rates 2010-11

Taxable income	Tax rate
\$0 – \$6,000	Nil
\$6,001 – \$37,000	15¢ for each \$1 over \$6,000
\$37,001 – \$80,000	\$4,650 plus 30¢ for each \$1 over \$37,000
\$80,001 – \$180,000	\$17,550 plus 37¢ for each \$1 over \$80,000
\$180,001 and over	\$54,550 plus 45¢ for each \$1 over \$180,000

Changes effective 1 July 2011

- **Flood Levy**
 - ▶ 0.5% for persons with income between \$50,000 and \$100,000
 - ▶ 1% for persons with income >\$100,000.
 - ▶ If you were affected by a natural disaster during the 2011 financial year, you may be exempt from paying this levy. Where employees earning more than \$50,000 are exempt from paying the levy, a flood levy exemption declaration form must be completed by both the employee and the employer. You will find more information on the flood levy on the following website www.ato.gov.au/floodlevy
- **Paid Parental Leave** - Employers will be responsible for administering the Paid Parental Leave payments to eligible employees (the payments are still funded by the Family Assistance Office).
- **Dependant Spouse Tax Offset** - Taxpayers with a dependant spouse born on or after 1 July 1971 will no longer be eligible for the Dependent Spouse Tax Offset.
- **Low Income Tax Offset for Minors** - Children under the age of 18 will no longer be able to claim the low income tax offset to reduce tax payable on unearned income such as interest, dividends, rent, royalties and other income from properties (this effectively reduces the amount which can be distributed to minors as tax free income).
- Tax law will be amended to prevent deductions being claimed against all government assistance payments.

Audit targets 2011

The ATO's compliance activities for individual taxpayers will cover a broad range of areas, with a particular focus on:

- cash transactions
- work-related expenses claims – paying special attention to:
 - ▶ claims for cars, travel, uniform and self-education
 - ▶ occupations with large or rising claims
 - ▶ returns that do not fit the pattern of a particular occupation
 - ▶ individuals making claims for the first time
- school teachers, engineers and mechanics

Living away from home allowance

There is still some confusion regarding this allowance. If you receive a Living Away From Home Allowance from your employer and it is shown on your Payment Summary, you should contact your employer. This allowance is generally **not assessable to the employee** as it is **exempt income** to the employee and should be **dealt with under the Fringe Benefits Tax regime**. Because the Living Away From Home Allowance is classed as exempt income, taxpayers cannot make any claims for expenses related to this income.

Misplaced your payment summary?

If you need to lodge a tax return for a year prior to 2011 and have misplaced your Payment Summary, try to contact your employer for a copy. If this is not possible, a copy can be requested from the ATO but it could take up to 28 days to obtain.

Did you acquire a rental property this year?

If you did, it is in your best interest to have a Quantity Surveyor's Report completed which will detail your allowable depreciation deductions on the property. The cost of obtaining the report is deductible in the year you pay for the report. For this service, we recommend BMT Tax Depreciation Quantity Surveyors. BMT can be contacted by telephoning 1300 728 726.



Problems with incorrect Reportable Employer Superannuation Contributions (RESCs)

RESCs are salary sacrificed super contributions or other contributions an employer makes to a super fund on behalf of an employee. These amounts are **additional to the minimum contributions (usually 9%)** that must be made under super guarantee law, an industrial agreement, the trust deed or governing rules of a super fund, or a federal, state or territory law.

Since 1 July 2009 employers have been required to report (RESCs) on employee payment summaries. The ATO has raised concerns as some employers have not been correctly disclosing these RESCs. Employers **must not include** the compulsory employer contributions (eg 9% superannuation guarantee contributions) at the RESC label on the payment summary – it is only for salary sacrificed contributions.

Personal superannuation contributions

If you put some of your own money into super (not employer super or salary sacrifice), we will need to know so that we can consider your eligibility for either a deduction or the co-contribution. If a deduction is to be claimed, we will not be able to lodge your return until:

- you have notified your superfund of your intent to claim a deduction, and
- you have provided us with the written acknowledgement.

Please note that deductions for personal super contributions can only be claimed in specific circumstances. Generally employees who receive employer super support are unable to claim a deduction unless strict conditions are met.

If you are not sure of what deduction you should claim, we suggest that you notify the fund that you intend to claim 100%. However you will then have to notify your superfund if the actual deduction is less (we can provide you with a standard form). Please also note that you can only vary amounts down and not up, so we recommend that do not lodge an intention for anything other than 100% unless you contact us first.

ATO scam emails

The Tax Office is warning people about fraudulent emails being circulated that claim to offer a refund from the Tax Office. The email uses the Tax Office logo and words similar to **'Australian Taxation Office - Notification'** or **'Australian Taxation Office and Your Tax Return'** in the subject line. If you receive an email like this you should delete it immediately.

Appointments

Please phone reception on (07) 4160 9000 and make an appointment to have your tax return completed. You should ensure you will have all the items on the checklist prior to the date of your appointment as this will allow for less delay in completion of your return.