What’s New - Changes You Might Need to Consider

As always, there are a number of tax changes that may affect you or your business. We’ve summarised a few of the key changes for the new financial year. Don’t forget to contact Burnett Business Centre to discuss any of these changes further.

From 1 July 2017 to 30 June 2018

Superannuation Contributions

- **Extra Personal Superannuation Contributions may now be Deductible!** If you meet certain age and annual cap limits, you can make a contribution and notify your fund that you are claiming a deduction. You then must receive an acknowledgement from the fund. There is no longer a requirement that you must earn less than 10% of your income from your employment-related activities.

- Access to the tax offset of $540 for super contributions for a low income spouse is now open to more people with the spouse income threshold increased to between $37,000 & $40,000.

- Annual concessional contributions cap reduced to $25,000

- High-income earners pay extra tax on their super contributions once their income exceeds $250,000.

A proposed Superannuation Guarantee Amnesty is available until 23 May 2019. This is a one-off opportunity for employers to self-correct past SGC super non-compliance without penalty, before harsher penalties start to be applied.

Rental Properties

- Travel expenses relating to residential investment properties are no longer deductible.

- Some depreciating items that you acquire with the purchase of a previously owned house are no longer deductible.

Other

- Late Lodgement Penalties increased to $210 per month (capped at $1,050)

- HECS Debt Repayments are now also required for non-residents.

- Companies with mostly income of a passive nature must use the 30% tax rate (proposed).

Please note that some of these measures are not yet law (as at the date of writing), and this is a greatly simplified summary of each measure. You should not solely rely on the information provided. Contact Burnett Business Centre to discuss these issues further.
From 1 July 2018

A new tax offset comes in for low and middle income workers

The cents per kilometre rate for work-related car expenses is proposed to increase to 68 c/km

Single touch payroll

- Employers with 20 or more employees are required to use Single Touch Payroll (STP) enabled software for electronic reporting to the ATO. All other employers should be getting ready for 1 July 2019 when STP will be mandatory for all.

Simplified depreciation rules – instant asset write-off

- The Small Business instant asset write-off $20,000 threshold is proposed to be extended to 30 June 2019, before reverting back to $1,000.

Buying Property

- If you are buying property, watch out for new withholding requirements. Purchasers of new residential premises or subdivisions of potential residential land will need to pay a component of the purchase price directly to the ATO on or before settlement.

Superannuation Guarantee

- If you salary sacrifice into super, your employer is now forced to pay the same amount of SGC as they would have were you not making the salary sacrifice.
- It is harder for your employer to not pay your SGC Super. Not only are employers and superfunds starting to report contributions electronically and more often to enable data-matching, there is a proposed change that can mean the worst employers can face criminal penalties (i.e. prison) for not paying super when the ATO sends them a notice.

Other

- Courier and cleaning businesses will need to report payments made to contractors (proposed). Businesses that provide security and investigation services, road freight transport, or computer system services will need to be getting ready to report from 1 July 2019.
- Reduce your Private Health Insurance premiums by asking your fund to increase your excess without incurring the Medicare Levy Surcharge (proposed).
- Regional students’ access to the Youth Allowance will improve by changing the threshold and assessment year for parental income.

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