

# Piatti & Associates Pty Ltd

Accountants & Registered Tax Agents

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June 2017

## It's Tax Time Again!

A new financial year is fast approaching and it's time to organize your paperwork for the preparation of your 2017 tax return. Below is a checklist for your convenience.

### INCOME

- |   |  |   |
|---|--|---|
| <input type="checkbox"/> PAYG Payment Summaries | <input type="checkbox"/> Rental Property Income  | <input type="checkbox"/> Interest Income            |
| <input type="checkbox"/> Government Allowances  | <input type="checkbox"/> Sale of Property/Shares | <input type="checkbox"/> Dividends from shares held |
| <input type="checkbox"/> Super Pensions         | <input type="checkbox"/> Allowances              | <input type="checkbox"/> Foreign Income             |

### DEDUCTIONS

- |  |  |  |
|--|--|--|
| <input type="checkbox"/> Car used for work purposes  | <input type="checkbox"/> Union Fees                        | <input type="checkbox"/> Tax Agent Fees              |
| <input type="checkbox"/> Travel for Work             | <input type="checkbox"/> Tools/Equipment                   | <input type="checkbox"/> Donations to Charities      |
| <input type="checkbox"/> Protective Clothing         | <input type="checkbox"/> Professional Association/Journals | <input type="checkbox"/> Income Protection Insurance |
| <input type="checkbox"/> Work-Related Self Education | <input type="checkbox"/> Home Office Expenses              | <input type="checkbox"/> Printing & Stationery       |
| <input type="checkbox"/> Rental Property Deductions  | <input type="checkbox"/> Telephone                         | <input type="checkbox"/> Other                       |

### OFFSETS

- |  |   |  |
|--|---|--|
| <input type="checkbox"/> Senior/Pensioner Tax Offset | <input type="checkbox"/> Spouse Superannuation Offset | <input type="checkbox"/> Private Health Fund |
|--|---|--|

Once you have gathered the relevant paperwork to support your claims, please contact our office on **(02) 9586 0300** for an appointment. Alternatively, you can send us the information via email at [accountant@piatti.com.au](mailto:accountant@piatti.com.au) or post to **PO Box 336, South Hurstville NSW 2221**.

We look forward to seeing you soon. **Happy New Financial Year!**

From the team at Piatti & Associates Pty Ltd

*Nina, John, Sisa, Tania, Bojana, Skye & Gabi*

## Audit Hot Spots for 2017



The ATO has become more sophisticated through the use of technology and data matching programs. This gives the “Data Doctors” the ability to identify unreasonable deductions and/or omitted information.

They will be focusing on dodgy claims including car and travel, clothing, laundry, self-education, tools and equipment for work purposes. For those with higher than expected claims the ATO will be contacting the employer to obtain more information about the taxpayer’s circumstances to verify the employee’s claims.

### Tips:

#### Work Related Expenses:

- Car Expenses - Maintain a log book
- Work related travel - A travel diary must be maintained to claim work related travel where the taxpayer is away from their ordinary residence for six or more nights in a row.

#### Rental Properties

- Holiday homes – incorrect claims or property not genuinely available for rent.
- Travel to inspect property must be apportioned when travel is combined with private travel or accompanying family members. This may be the last year that travel will be deductible.

#### Lifestyle Assets:

The ATO have been able to obtain information from insurance providers about “lifestyle” assets such as boats, aircrafts, motor vehicles, artwork and thoroughbred horses. The ATO will compare the taxpayer’s wealth to the income disclosed on the tax return.

#### ATO targets Uber and Airbnb operators in 2017

Due to the massive growth in Australia’s sharing economy the ATO is devoting resources to ensure taxpayers who derive income from providing shared services comply with their income tax and GST obligations. The ATO will be data matching information provided by third parties (e.g., banks) to detect undeclared income derived from various sharing economy services including Uber and Airbnb.



**Making sure your deductions are substantiated will keep the ATO Data Dr away!**

## Applies from 1 July 2017

From 1 July 2017, the following key changes to the contribution rules will apply:

- **Reduced non-concessional (or personal non-deductible) contribution limits** – The annual contribution limit has been reduced from \$180,000 to **\$100,000** per person. Furthermore, the \$540,000 'bring forward amount has been reduced to **\$300,000** (i.e., 3 x \$100,000 annual non-concessional contributions limit).
- **New \$1.6 million superannuation balance restriction for non-concessional contributions** – An individual who has total superannuation entitlements of at least \$1.6 million at the start of an income year will not be able to make non-concessional contributions in that year without breaching their limit.

**A reduced concessional (or deductible) contributions limit** – The annual limit in respect of concessional (or deductible) contributions (e.g., employer contributions and personal deductible contributions) has been reduced from \$30,000 or \$35,000 (depending on the individual's age) to **\$25,000 for all individuals** (irrespective of their age).

**Claiming a personal tax deduction for super** – From 1 July 2017, all members who are under age 75 can claim an income tax deduction for personal super contributions made, regardless of whether they earn 10% or more of their total income from employment or related activities.

**Additional 15% tax liability on contributions for people earning more than \$250,000** – From 1 July 2017, individuals earning more than \$250,000 will generally be liable to pay an extra 15% tax on deductible contributions (including employer contributions) received by their superannuation fund.

**Extending the tax offset for spouse superannuation contributions** – From 1 July 2017, the existing tax offset of \$540 (maximum) for spouse contributions will generally be available to a taxpayer who makes superannuation contributions for the benefit of a spouse whose income is *less than* \$40,000 (the existing spouse income threshold is only \$13,800).

**Low Income Superannuation Co-Contribution** – If your adjusted taxable income is between \$36,021 - \$51,021 and you make a personal contribution of \$1000 to your super account you will receive the maximum co-contribution of \$500 provided that (a) you have not exceeded your non concessional caps and (b) immediately before 1 July 2017 your total super balance is less than \$1.6 million.

Please check out our website ([www.piatti.com.au](http://www.piatti.com.au)) and like our Facebook page to keep updated with important changes.

We hope the above helps with your end of year taxation matters. Should you have any questions, feel free to contact this office on **9586 0300**.

And remember, we are here to help with tax advice all year round.

If you are unsure of the tax implications for major financial decisions such as buying or selling assets, deceased estates, etc. then a quick call to us might end up saving you lots of \$\$\$.

Each year at tax time we find that unfortunately some of our clients have either made or simply gone along with choices that have resulted in significant taxes... implications that could have been avoided or at least minimised had they consulted a tax professional.

We value each and every one of our clients and love being able to make a difference and help guide you to making confident decisions that will most benefit your tax position.



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