



Piatti
& Associates Pty Ltd

Suite 11, 59-69 Halstead Street
South Hurstville NSW 2221
Phone: 02 9586 0300
Fax: 02 9586 0299

Accountants & Registered Tax Agents

ACN 003 511 126 ABN 24 003 511 126

Website: www.piatti.com.au
Email: accountant@piatti.com.au

June 2021

It's That Tax Time of the Year Again!

It's time to start gathering your paperwork for the preparation of your 2021 tax return. Below is a checklist to help you get started.

INCOME

- | | | |
|--|--|---|
| <input type="checkbox"/> Employment Income | <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"/> Business Income | <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"/> Deductible Super need a
"Letter of Acknowledgment" |

OFFSETS

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

Once you have organized the paperwork to support your claims, contact our office for an appointment on **(02) 9586 0300**. Alternatively, the information can be sent via email to accountant@piatti.com.au or posted to **PO Box 336, South Hurstville NSW 2221**.

We welcome your contact with us at any time throughout the year should an issue arise or if you just want to call to bounce around an idea. **Happy New Financial Year!**

From the team at Piatti & Associates Pty Ltd

Nina, John, Sisa, Bojana, Skye, Penny & Akriti.

ATO's Audit Warning Areas 2021



- Data matching - The ATO have expanded and improved their data matching programs between Services Australia (e.g., Centrelink) and the ATO in relation to Jobkeeper, Jobseeker and the early access to superannuation.
- Work Related Expenses – car expenses claimed under the log book method. Please ensure that you have a valid log book and keep your receipts for 5 years. The ATO are looking for incomplete/inaccurate log books. Also they are paying close attention to clothing and laundry expenses.
- Interest deductions in relation to rental properties. The ATO are looking for errors in incorrect claims made for interest deductions.
- Claims for Personal Superannuation Contributions. - Make sure you receive an “Acknowledgment Letter” from your superfund before claiming a Tax Deduction for your personal superannuation contributions. No letter, no deduction.
- Early release of superannuation - The ATO are seeking to identify incorrect use of COVID-19 early release of super via Employment income, Single Touch Payroll, Income Tax Returns, Superfund reporting and third party agencies such as Services Australia and Home Affairs. This information is used to identify whether these individuals had actually received government support/payments and have illegally accessed their super via the early release scheme.

Home Office Expenses during COVID-19

The ATO have extended the 80 cents per hour method for home office running expenses to 30 June 2021. You must keep a diary of the hours worked from home. This rate factors in all expenses such as printing and stationary, depreciation of computers and office furniture, telephone and internet.



Individuals can still choose to use the existing 52 cents per hour method (cooling, heating, lighting, cleaning, depreciation of office furniture) and the actual method (mobile phone and home internet costs). A 4-week diary needs to be kept for these two methods.

Instant Write- Off Threshold – For Sole Traders and businesses

- \$150,000 (excl GST) for assets purchased between 10 October 2020 and 30 June 2021



Employees with Multiple Employers

From 1 January 2020 employees with multiple employers, who are likely to have excess concessional contributions can apply to the Commissioner for an exemption certificate from super guarantee contributions. An employee must lodge an application 60 days before the first day of the quarter to which the application relates to. Employees must still be receiving SG contributions from another employer.

New Catch-up concession for concessional contributions

From 1 July 2019 an eligible individual with a Total Superannuation Balance of less than \$500,000 can take advantage of the catch-up concession in respect of any unused concessional contributions cap amount in the prior 5-year period. This concession allows individuals who have spent time out of the workforce (maternity leave or care for a family member) to catch up on those contributions they have missed out on.

Top-Up deductible super contributions:

Taxpayers are able to top-up their concessional super contributions and claim a tax deduction. The cap is \$25,000 so be sure not to exceed this limit.

New Tax Rates for Resident Individuals:

<u>Tax Rate</u>	<u>2021</u>
0%	0 - \$18,200
19%	\$18,201 - \$45,000
32.5%	\$45,001 - \$120,000
37%	\$120,001 - \$180,000
45%	\$180,001 +



Low Income Tax Offset:

LITO was increased from \$455 to \$700 for the 2021 income year and associated phase-out rule changes were implemented as outlined below.

<u>Taxable Income</u>	<u>2021</u>
\$37,500 or less	\$700
\$37,501 - \$45,000	\$700 minus 5 cents for each \$1 over \$37,500
\$45,001 - \$66,667	\$325 minus 1.5 cents for each \$1 over 45,000

Low and Middle Income Tax Offset:

This was retained for the 2021 income year with the relevant rates detailed and phase-in and phase-out rules outlined below.

<u>Taxable Income</u>	<u>2021</u>
\$0 - \$37,000	\$255
\$37,001 - \$48,000	\$255 plus 7.5 cents for each \$1 over \$37,000
\$48,001 - \$90,000	\$1,080
\$90,001 and over	\$1,080 less 3 cents for each \$1 over \$90,000

The availability of the tax offsets has increased the tax - free threshold of \$18,200 for lower income earning taxpayers entitled to tax offsets, as above to an effective tax-free threshold of **\$23,226**.

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 tax 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.

From the team at Piatti & Associates Pty Ltd

Nina, John, Sisa, Bojana, Skye, Penny and Akriti.

