

Individual Tax Tips

Welcome to our 2018 End of Financial Year Top Tips for Individuals. The information is general in nature and advice should be sought for your own personal circumstances.

WE ARE COMING INTO THE BUSY TAX SEASON

Apologies in advance if I am more difficult to get hold of over the busy season! Please send me an email or leave a detailed message so I can respond to you as soon as I am able.

BOOKING TAX APPOINTMENTS

If you'd like to make an appointment for your tax, get in touch with me now. Alternately I will be in contact over the coming months to arrange a suitable time with you. Contact details are below.

Do you own an investment property?

From 1 July 2017, the government will disallow deductions for travel expenses related to inspecting, maintaining or collecting rent for a residential rental property. This measure does not affect the use of a property management service as these expenses will still be deductible.

For further tips to help avoid common tax mistakes as a rental property owner, click [here](#). Tax-smart tips for your investment property journey can be downloaded [here](#).

First Home Buyers and Superannuation

From 1 July 2017, individuals can make voluntary contributions of up to \$15,000 per year and \$30,000 in total, to their superannuation account to purchase a first home. These contributions, which are taxed at 15 per cent, along with deemed earnings, can be withdrawn for a deposit. Withdrawals will be taxed at marginal tax rates less a 30 per cent offset and allowed from 1 July 2018. Both members of a couple can take advantage of this measure to buy their first home.

myDeductions

The **myDeductions** tool makes it easier and more convenient to keep your tax deductions and income records all in one place. The tool can be used by individuals claiming general or employee work-related expenses. Sole traders can use it to help keep track of business income and expenses. Find out more information [here](#).



RENTAL PROPERTY DEPRECIATION

Changes to depreciation deductions for properties purchased after 7.30pm AEST on 9 May 2017 are now in effect. For more information click [here](#).

NEGATIVE GEARING

If you are considering purchasing an investment property to reduce your taxable income through negative gearing, contact us to find out what your borrowing power is, and then we can discuss the strategy that would suit you best.

DO YOU HAVE A HECS DEBT?

Do you have a HELP or TSL debt? If you do, and you are living overseas or leave the country for 183 days or longer, you need to notify ATO of your contact details (international residential address and email) 7 days before you leave or by 30 June 2018 if you have already left. With your instructions I can do this on your behalf. You also need to lodge a 2018 Australian tax return declaring your worldwide income so that the loan repayment can be properly calculated.

CONCESSIONAL SUPERANNUATION CAP

Limits for 2017/2018 are \$25,000 regardless of age. You should seek specific advice as to whether salary sacrifice could be beneficial in your particular circumstances. If you are contributing extra money into super, ensure you don't go over the cap, and remember - contributions count towards the financial year in which they are received by the fund, so don't leave it to the last minute!

CTP GREEN SLIP REFUNDS

The compulsory third party (CTP) insurance scheme has been reformed by the NSW Government. As a result, you may be eligible for a partial refund on your 2017 Green slip. The deadline to claim is 30 September 2018. For more information or to claim online, click [here](#).

SAVE MONEY ON YOUR PRIVATE HEALTH INSURANCE

Health funds increase their contribution rate on 1 April each year. By prepaying your health fund by 31 March you can lock in up to 12 months of contributions at the old rate.



HEALTH FUND TIER

Call your health fund to check if you're on the correct tier. If you receive too much private health insurance rebate in reduced premiums this will be charged back to you in your tax assessment. By increasing your tier, you will ensure you get all your tax refund back, or at least minimise your tax bill.

HOSPITAL COVER

If you are not in a health fund for hospital cover you should consider whether you need to take out private hospital cover to avoid the Medicare Levy Surcharge. The surcharge can sometimes be more than the cost of the cover, with the added bonus of covering you.

DONATIONS

If you are thinking of donating money to charity, you may be able to receive a tax deduction by making a donation in the current financial year.

FAMILY TAX BENEFIT

If you don't claim fortnightly family tax benefit payments via Centrelink but are eligible for a lump sum payment you need to lodge a [Lump Sum claim form](#) if you want to be assessed for payment. The deadline for 2017 claims is 30 June 2018.

TAX DEPRECIATION REPORT - PROPERTIES

Property investors should ensure they have a tax depreciation report prepared for their property. We recommend [BMT](#), and if you call Bradley Beer on 1300 728 726 he has promised to look after our clients with a discount.

MINIMISE THE CAPITAL GAINS TAX YOU PAY

Review your shares portfolio now to determine if any should be sold before 30 June 2018 to offset capital gains or losses made throughout the financial year. Remember that assets must be held for 12 months or more to be entitled to the Capital Gains Tax Concessions.

MAXIMISING INVESTOR TAX DEDUCTIONS

Investors should consider prepaying some expenses (up to 12 months in advance) in order to claim a larger tax deduction in the current financial year. This strategy might be useful particularly for people expecting their taxable income to be higher in the current year, but remember you will not have these expenses in the subsequent year. Expenses could include council rates, water rates, strata, insurance, advertising, interest and repairs and maintenance.

CLAIMING MOTOR VEHICLE EXPENSES

If you use your car for work, ensure you have completed your log book and that you satisfy the substantiation requirements.

RECORD KEEPING

The Australian Tax Office (ATO) requires you to keep documents relating to your tax for at least 5 years after the relevant tax return has been lodged (i.e. if you lodge your 2017/18 tax return on 20 August 2018, all related documents need to be kept until at least 20 August 2023), but in some cases, records need to be kept longer. For more information, click [here](#).

SPECIFIC TAX ADVICE

We can provide specific tax advice for a scenario - in writing - that you can rely on. This service is provided for a fee by a tax specialist from a team of lawyers and accountants. It is important you provide as much information as possible to ensure the advice given is appropriate to your situation.

REFINANCE AND SAVE

Take time to study your next mortgage statement. You may be able to save money by refinancing. Contact us for more information.



“I spend 30% of my day working for the tax man, so that’s the part of my day when I goof off.”

Contact Us

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