

# Individual Tax Tips

Welcome to our 2019 End of Financial Year Tax Tips for Individuals. Our business tips will follow shortly.

You or your friends may find one or both newsletters useful!

The information is general in nature and advice should be sought for your own personal circumstances.

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## 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 at [diana@lizardfinancial.com.au](mailto:diana@lizardfinancial.com.au). Alternately I will be in contact over the coming months to arrange a suitable time with you.



### myGov

Employers will be sending income statements for pays to their employees' myGov accounts. To ensure you receive government information when you need it, make sure your **myGov** contact details are your own. Remember you can always forward us anything specific you'd like us to review. You can update your details by calling **myGov** on 13 23 07 option 1.

## **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](#).



## **CTP GREEN SLIP REFUNDS**

NSW compulsory third party (CTP) insurance scheme reforms resulting in a possible partial refund on 2017 Green Slips must be claimed by 30 June 2019. For more information or to claim online, click [here](#).

## **FAMILY TAX BENEFIT**

If you don't claim fortnightly family tax benefit payments via Centrelink but are eligible for a lump sum payment, if you want to be assessed for payment you need to claim using your [Centrelink online account](#) with [myGov](#) or lodge a manual [Lump Sum claim form](#). The deadline for 2017/18 year claims is 30 June 2019.

## **COST OF LIVING REBATES?**

The NSW Government is helping to ease the cost of living with a number of incentives, subsidies and rebates, including Creative and Active Kids vouchers, Toll Relief, discounts on energy efficient lighting, and Family Energy Rebates. You can browse more than 70 rebates and savings available [here](#), or use the Savings Finder to help find relevant benefits.



## **SEARCH AND CLAIM LOST MONEY**

The Office of State Revenue provides a free service where you can search online for money owed to you, or learn about claiming money that is owed to you or someone who has died, and they list several additional places you can check. For more information and to search (it takes less than a minute!) head [here](#).

## **LIFE CHECKS**

The Australian Government provides this handy resource to help you plan for the future. It provides a chance to see how you're tracking to be healthy and comfortable in the years to come, across a number of facets of life, including health, finance, work and social life. Take a ten minute anonymous quiz to see what areas you can improve [here](#).

## **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.

## **HOME OFFICE EXPENSE DEDUCTIONS**

Instead of recording actual expenses for heating, cooling, lighting, cleaning and furniture depreciation, then working out the proportion of business use, you could claim 52 cents for each hour you work from home. To claim using this method you need to keep records of actual hours spent working at home, or a diary for a representative four-week period to establish a pattern. Other expenses like phone and internet, computer consumables and stationery, and decline in the value of computers or other equipment will need to be calculated separately.

### **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 2018/19 tax return on 20 August 2019, all related documents need to be kept until at least 20 August 2024), but in some cases, records need to be kept longer, such as when assets are depreciated over time. For more information, click [here](#).

### **FIRST HOME BUYERS AND SUPERANNUATION**

From 1 July 2018, individuals have been able to apply to release voluntary contributions from their superannuation to purchase a first home, of up to \$15,000 per year and \$30,000 in total. These contributions, which are taxed at 15 per cent, along with deemed earnings, can be used towards a deposit. Withdrawals will be taxed at marginal tax rates less a 30 per cent offset. Both members of a couple can take advantage of this measure to buy their first home. See more info [here](#).

### **CONCESSIONAL SUPERANNUATION CAP**

Concessional limits for 2018/19 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, and many funds have EOFY deadlines, so don't leave it to the last minute!

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### **DO YOU HAVE A HECS DEBT?**

Do you have a HELP debt, Vet Student Loan, or Trade Support Loan? 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) within 7 days of leaving or if you already reside overseas. You can do this on myGov, or with your instructions I can do this on your behalf. You also need to lodge a 2019 Australian tax return declaring your worldwide income so that the loan repayment can be properly calculated.

### **RESIDENCY FOR TAX PURPOSES**

If you're unsure about your status as a resident for tax purposes, there's an ATO info sheet available [here](#), and a handy tool to step you through the criteria [here](#).

### **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.

### **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, and it provides no coverage!

### **FREE E-BOOK**

The e-book "Investing made simple: Empowering women through property" by [Active Property Investing](#) could be of interest to both men and women! It covers how to build confidence in money matters like investing in property, create more independence and opportunities for you and your family, ways to invest within your means, and tips on how to get started. Download your free copy [here](#).

### **MINIMISE THE CAPITAL GAINS TAX YOU PAY**

Review your shares portfolio now to determine if any should be sold before 30 June 2019 to offset capital gains or losses made throughout the financial year. Remember that assets must generally be held for 12 months or more to be entitled to the Capital Gains Tax Concessions.

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## **DO YOU OWN AN INVESTMENT PROPERTY?**

From 1 July 2017, the government disallowed 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](#).

## **ATO TO DOUBLE AUDITS OF DODGY RENTAL DEDUCTIONS**

Rental deductions will come under scrutiny by the Australian Tax Office and property owners are warned to check their claims are correct at tax time. There is expected to be a specific focus on over-claimed interest, capital works claimed as repairs, incorrect apportionment of expenses for holiday homes let out to others, and omitted income from accommodation sharing such as AirBNB. It is important to keep records to support any deductions!

## **GST PROPERTY DECISION TOOL**

Get a better handle on the GST implications of your property-related transactions. The ATO provides an anonymous tool you can use to calculate likely GST payable on a sale, including estimates if applying the margin scheme, and information on tax credit claim eligibility. Try it out [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.

## **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](#).

## **TAX DEPRECIATION REPORT - PROPERTIES**

Property investors should ensure they have a tax depreciation report prepared for their property. We recommend [Washington Brown](#), and they look after our clients with a discount. For a Depreciation Schedule quote click [here](#).

## **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.

### INSURANCES

If you have an investment property, we strongly recommend you obtain Tax Audit Insurance (obtain a quote [here](#)) and Landlord insurance (let us know if you need a referral for a quote).

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### 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.

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*“It started out as my itemized deductions,  
but it's turned into a novel.”*

# Contact Us

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