



Issue # 5

June 2010

TAX TIME

Its tax time again! Below is a reminder of what to bring to your appointment.....

- Annual Tax Statements from your investments - these may not arrive until August
- Annual statement from your **private health fund**
- Centrelink Statements
- Completed worksheet - **see page 3**
- Dependent children's income
- Dividends received
- Details of shares received under an Employee Share Scheme – must now be reported in your tax return.
- **Education Tax Refund** – receipts from primary and secondary schools
- Interest received from banks and/or other financial institutions.
- List of Income Tax Deductions including receipts for larger items, for example, laptops – **see page 2**
- **Medical Expenses** - annual statements can be obtained from Chemist, Medicare and your Health Fund
- Share sales
 - date of purchase and purchase price
 - date of sale and sale price
- Settlement Statement(s) for the purchase and sale of land and/or houses - **not your main residence**
- Spouse's taxable income
- Your PAYG Payment Summaries – Group Certificates

TAX ALERT !!!!! TO DO BEFORE 30 JUNE

- **SUPERANNUATION CO-CONTRIBUTION** – If you earn less than \$31,920 pa you can potentially access the Federal government Super Co-contributions Scheme and receive up to \$1.00 for every after-tax dollar you contribute to Super, up to \$1,000 pa. If you earn between \$31,920 and \$61,920 pa, you may be entitled to receive a reduced amount. Income must be from wages or a small business. The contribution must be received by your super fund prior to 30 June.
- **SUPERANNUATION TAX DEDUCTION** – A tax deduction can be claimed for contributions to your super made before 30 June provided less than 10% of your assessable income is earned as an employee. You must advise your fund of the amount of the deduction in writing before your tax return is lodged. Your fund details need to be disclosed in your tax return.
- **SUPERANNUATION SPOUSE CONTRIBUTION** – You may be entitled to a tax offset of up to \$540 for contributions up to \$3,000 to your spouse's superannuation fund. Your spouse's assessable income plus fringe benefits must be below \$13,800.
- **CHANGES TO TAX AGENT LEGISLATION** – There have been recent changes in the legislation controlling the responsibilities of Registered Tax Agents such as *Sheridans*. We are now required to be more specific in reviewing the information that we disclose in your tax returns. We may now need to confirm what records you have maintained to substantiate expenses you are claiming and may not be able to accept answers like "it was the same as last year". Please ensure your records are up to date.

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Checklist of possible income tax deductions

- Brief Case
- Calculator
- Computer Accessories – for example, flash drives, anti virus software
- Conference Costs
- Diary Purchase
- Donations
- Income Protection Insurance
- Interest on equipment or investment loans
- Internet Costs
- Km's travelled to Tax Agent
- Laptops
- Medical Expenses - if "gap" amount paid is greater than \$1,500 (*Ed Note: increasing to \$2,000 in 2011*)
- Mobile Phone - % of work related use
- Motor Vehicle Expenses - % of work related use
- Organisers
- Protective Clothing
- Reference Books
- School Building Fund (if voluntary)
- Self-Education Costs directly related to your job
- Stationery
- Subscriptions to Professional Bodies
- Sun Protection
- Superannuation Contributions
- Tax Agent Fees
- Telephone Expenses - % of work related use
- Tools of Trade
- Uniforms
- Union Fees

IF YOU ARE CLAIMING a portion of any expense (eg. mobile phone, computer) you should keep a log-book for one month detailing the proportional split between private and business use.

BUSINESS OWNERS

- What to bring

- Copies of BAS statements and Instalment Activity Statements
- Details of equipment and motor vehicles purchased or sold during the year
- Any loan agreements from banks or finance companies for business loans
- Your reconciled cashbook or computer disk/flash drive with program details
- Bank statements including any loan statements – check that you have them all
- List of amounts and people who owe you money as at 30 June - **Debtors**
- List of who you owe money to and amounts as at 30 June - **Creditors**.
- Value of stock on hand as at 30 June - at cost
- Chattel Mortgage Documentation including Tax Invoice for the asset purchase.

Important note - businesses with turnover (income before expenses) less than \$20,000 and make a loss cannot offset that loss against the owner's salary and wage income. Instead, the loss gets carried forward and is offset against profits in future years.

Do you contribute to Super?

If so, for the 2009/10 income year and all future years, your **"Reportable super contributions"** will affect the income tests for some tax offsets, deductions, concessions, the Medicare levy surcharge, HECS repayments and certain government benefits and obligations.

Reportable Super Contributions includes:

- Personal Deductible Contributions you may have made;
- Salary Sacrificed Super.

If your employer makes reportable employer super contributions for your benefit, they must include the total amount of these contributions on your 2009/10 Payment Summary (Group Certificate).

Contributions you make from your after-tax income are not reportable super contributions.



Interest Schedule

Name of Bank	Account Holder (Individual name or joint)	Amount of Interest (1 July 09 - 30 June 10)

Dividend Schedule

Name of Company	Unfranked Amount	Franked Amount	Imputation Credit

Motor Vehicle Expense (rate per km method)

Vehicle Make _____ Registration No. _____ Engine Size _____

Purpose of Journey	Km's Travelled
TOTAL	km

Motor Vehicle Expense (Log Book method)

Note: A new log book is required every 5 years or earlier if circumstances change.

Vehicle Make _____ Registration No. _____ Engine Size _____

Odometer 1-7-09 _____ Odometer 30-06-10 _____ % of business use (from log book) ____%

EXPENSES

Registration \$ _____
 Insurance \$ _____
 Fuel \$ _____
 Repairs \$ _____
 Tyres \$ _____

RAA \$ _____
 Lease Cost \$ _____
 Loan Interest \$ _____
 Cleaning \$ _____
 Service \$ _____

Rental Property

Rent Received \$ _____
 Interest Paid \$ _____
 Council Rates \$ _____
 Water Rates \$ _____
 Gardening \$ _____
 Land Tax \$ _____

Repairs \$ _____
 Travel \$ _____
 Insurance \$ _____
 Strata Fees \$ _____
 Agent Fees \$ _____
 Other \$ _____



Does Property Investment Interest You?

At *Sheridans*, our view is to provide opportunities for all our clients in the area of wealth creation.

Did you know we now have access to a property adviser who has a panel of builders/developers building new homes for investors?

Our affiliate is *Investment Property Finders* and what we like about them is they protect your interest by inserting a key clause into every Builders Contract:

"Subject to bank valuation being within 5% of Contract value"

Did you also know that Self Managed Superannuation Funds - SMSFs - can also now borrow for residential & commercial property investment?

We welcome you to make contact with Eric Taylor on 8376 0455 or eric.taylor@sheridans.net.au to discuss investing in property and the potential for long term capital growth and tax effective income.

Our Fees

The fees to complete personal tax returns will start from **\$143 (inclusive of GST)**. A higher fee will apply for more complex tax returns. For example, capital gains tax calculations, motor vehicle expenses, tax offsets, depreciation, multiple dividends, small businesses, rental properties etc.

Hours of operation

During the tax season (July, August, September), our opening hours will be:

Monday to Thursday	9am - 8pm
Friday	9am - 5pm
Saturday	9am - noon

Tax Office Computer Problems

You may have already heard about the computer problems encountered by the Australian Taxation Office in the period January 2010 to April 2010.

During this time we experienced delays in many 2009 income tax returns being processed because of a malfunction of their \$800+ million computer upgrade.

Taxpayers whose refunds were delayed may have been paid interest by the Tax Office. Remember this interest - like all interest - is assessable income and must be included in your income tax return for 2010.

The Tax Office computer upgrade has also brought changes to the appearance of assessment notices - they now look more complex.

Please also remember that we review your notice of assessment before we forward it to you and if the tax position differs from our original estimate we will advise you of the reason why.

Are you looking to improve your financial situation and not sure where to start or who to see?

Look no further, *Sheridans* Financial Planners have been helping clients become financially well organised since 2000.

Take action to improve your financial situation today - call us now on **8376 0455** and make an appointment with one of our Financial Planners.

At the forefront of industry change, our financial planning team has been providing service to our clients on a **"fee for service"** basis since 2002.

Our financial planners are authorised representatives of Professional Investment Services Pty Ltd. Australian Financial Services License Holder 234951

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