

MAKING CENTS TAXATION SERVICES

'Specialising in Tax Returns for Business & Individuals'

NEWSLETTER 2022

2021/2022 IN REVIEW

Happy New Financial Year!

Over the past few years COVID-19 has shown that life and business can be unpredictable, and has impacted many of our clients and ourselves in a positive or negative way. Many Accounting Firms like ourselves have faced overwhelming workloads due to COVID-19, and our Team has worked extremely hard to meet our valued clients' deadlines and needs.

Making Cents Taxation Services thank all our clients for your continued support, patience and understanding during this unprecedented time.

APPOINTMENTS

We will be focusing on Individual Taxation Returns from 14 July to 15 September and booking Business and Company Tax appointments from 15 September 2022. **To reduce staff illnesses, we ask that "masks" are to be worn at all "In Office" appointments.**

If you have booked an "In Office" appointment and you fall sick, please contact our office to reschedule, or change your appointment to a phone appointment.

For client's using the MCTS Client Portal to upload your documents to us, please email us to advise when all documents have been uploaded for your 2022 Income Tax Returns.

SUPER GUARANTEE RATE

The Employer's Super Guarantee Contribution Rate has increased from 10% to 10.5% from 1 July 2022.

The Super Guarantee Rate will continue to increase each Financial Year by 0.5% until it reaches 12% on 1 July 2025.

From 1 July 2022, Employer's are required to make Super Guarantee Contributions to Employee's Super Funds even if the Employee's earn wages less than \$450 per month (May 2021 Federal Budget).

Employees aged under 18, must work for their Employer more than 30 hours per week to qualify for Super Guarantee payments.

Please refer to the ATO link for more information "Am I entitled to super?"

<https://www.ato.gov.au/calculators-and-tools/am-i-entitled-to-super/>

LATEST SCAM ALERT!!!

There is increase in email phishing scams claiming to be from the ATO.

These scams tell people their '2022 tax lodgment' has been received. The email asks them to open an attachment to sign a document and complete their 'to do list details'.

Opening the attachment takes you to a fake Microsoft login page designed to steal your login details. Entering your password could give the scammer access to your Microsoft account, allowing them to reset your passwords for other accounts like banking and online shopping.

If you get an email like this, don't click on any links or open any attachments. Forward the email to ReportEmailFraud@ato.gov.au, and then delete it.

https://www.ato.gov.au/general/online-services/identity-security-and-scams/scam-alerts/?=redirected_ScamAlerts

OFFICE LOCATION

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KERSBROOK

3 Scott Street

Kersbrook SA 5231

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PHONE & EMAIL

APPOINTMENTS ARE

ENCOURAGED

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TAX DEDUCTIONS FOR COVID-19 PCR & RAT TESTS

You may be able to claim a tax deduction in your 2022 Tax Return for costs you incurred for COVID-19 test expenses (i.e. PCR & RAT), if you used the test for a work-related purpose, such as to determine whether you could attend or remain at work.

To claim a deduction, you must have records to prove that:

- you incurred the cost (usually a receipt), and
- you were required to take the test for work purposes.

MOTOR VEHICLES (PAYLOAD - 1 TONNE)

The one tonne limit relates to **the maximum load your vehicle can carry**, also known as the payload capacity. The payload capacity is the gross vehicle mass (GVM) as specified on the compliance plate by the manufacturer, reduced by the basic kerb weight of the vehicle.

Businesses that require Motor Vehicles with a minimum 1 tonne carrying capacity need to specify to the Vehicle Dealers that the Motor Vehicle must have a minimum payload capacity of 1 tonne.

SPOUSE SUPER CONTRIBUTION TAX OFFSET

You may be able to claim a tax offset if you make an eligible contribution on behalf of your spouse (married or de-facto) who is earning a low income or not working. The contribution needs to be made to:

- a complying super fund
- retirement savings account (RSA).

You can claim a tax offset of up to \$540 per year for the income year you are claiming the tax offset if you meet all of the following conditions:

- the contributions were made to a super fund that was a complying super fund for the income year in which you made the contribution

- both you and your spouse were Australian residents when the contributions were made
- the contributions were not deductible by you
- when making the contributions you and your spouse were not living separately and apart on a permanent basis.

KEY CHANGES FOR COMPANIES

Company directors are required by law to apply for a director identification number (director ID). For directors of companies regulated by ASIC and registered under the Corporations Act 2001:

- * Intending new directors **must apply before being appointed**.
- * Directors appointed on or before 31 October 2021 have until 30 November 2022 to apply.
- * New directors appointed for the first time between 1 November 2021 and 4 April 2022 had 28 days from their appointment to apply.

<https://www.abrs.gov.au/director-identification-number/apply-director-identification-number>

- Temporary full expensing extended to 30 June 2023
- The corporate tax rate for base rate entities for 2021–22 is 25%.

ATO AUDIT FOCUS 2021/22

The Australian Taxation Office (ATO) has announced four key focus areas for Tax Time 2022. The ATO will be focusing on:

- record-keeping
- work-related expenses
- rental property income and deductions, and
- capital gains from crypto assets, property, and shares.

MCTS FEE INCREASE

From 1 July 2022, our Accounting fees will be increasing from \$210 per hour to \$220 per hour.

MCTS FEE INCREASE

(From 1 July 2022)

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Salary & Wages Tax Return
Increased from \$210 to \$220

Salary & Wages Tax Return
(Joint 2 Person in Office Appt.)
Increased from \$400 to \$420

Concession Cardholders
Tax Returns
Increased from \$160 to \$170

Additional Schedules (Minimum*)
Increased from \$130* to \$140*

Managed Rental Properties
Increased from \$130 to \$140

*please note may be treated as unmanaged; if Real Estate Agents have not made all payments on your behalf, or expense receipt amounts have not been totaled before your appointment.

Unmanaged Rental Properties
Increased from \$160 to \$170

Capital Gains Tax

- Property / Real Estate / Other
Increased from \$210/hr to \$220/hr

- Cryptocurrency
(with Annual CGT Report)
Increased from \$130 to \$140

- ASX Shares
\$70 per share parcel sold

*please note \$220 per hour applies to Capital Gains Tax calculations for Share parcels sold with Dividend Reinvestment Plans/Demergers/Takeovers.

Business Income Tax Returns
Increased from \$210/hr to \$220/hr
*Minimum fees apply.

Please contact our office for
further information

FEDERAL BUDGET 2022/23

One off cost of living tax offset

Parliament passes legislation to increase the Low & Middle Income Tax Offset (LMITO) by **\$420** for the 2021–22 income year.

The maximum LMITO benefit has increased to **\$1,500** (previously \$1,080).

The 2021–22 income year is the final year of the LMITO. All else being equal, recipients of the increased LMITO this year will face a higher tax bill for the 2022–23 income year. The Stage 3 tax cuts are legislated to begin in 2024–25.

THIS OFFSET IS NOT REFUNDABLE

Small Business Skills and Training Boost

Small businesses with an aggregated annual turnover of less than \$50 million will be able to deduct an additional 20% of expenditure incurred on eligible training courses provided to employees.

This measure will apply to expenditure incurred in the period commencing from 7:30 pm AEDT 29 March 2022 until 30 June 2024.

The bonus deduction (additional 20%) for expenditure incurred from 30 March 2022 until 30 June 2022 will be included in the following income year 2022–23.

The bonus deduction incurred from 1 July 2022 until 30 June 2024 will be included in the income year that the expenditure was incurred.

Small Business Technology Investment Boost

Small businesses (with aggregated annual turnover of less than \$50 million) will be able to deduct an additional 20 per cent of the cost incurred on business expenses and depreciating assets that support their digital adoption, such as portable payment devices, cyber security systems or subscriptions to cloud based services.

For eligible expenditure incurred between 7:30 pm AEDT 29 March 2022 until 30 June 2022:

- claim the expenditure as usual in your 2021–22 tax return, and
- claim the additional 20% bonus deduction for this period in your 2022–23 tax return.

For eligible expenditure incurred from 1 July 2022 until 30 June 2023, you can deduct the entire 120% in your 2022–23 tax return.

Reduced minimum super drawdown rates extended

New legislation has been registered to extend the temporary reduction in the superannuation minimum drawdown rates. This means the minimum annual payment you need to make for your member's account-based pensions and annuities, allocated pensions and annuities and market-linked pensions and annuities will remain reduced by 50% for another year.

Talk to your Financial Adviser if you are receiving a pension for the 2022–23 income year to find out if how to take advantage of the extension of the temporarily reduced minimum drawdown rate.

MCTS STAFF UPDATE

Our Receptionist Anthea Tai is no longer working at Making Cents Taxation Services and is living her best life enjoying her retirement, and travelling Australia with her husband. We wish Anthea all the best for her future and exciting adventures.

We welcome our new staff member Jenny Plunkett-Jones. Jenny is a fully qualified bookkeeper with extensive experience, and will be a valued asset to our Business Clients.

DEADLINE DATES

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July 14

Single Touch Payroll Finalisation

July 28

Super Guarantee (Jun 22 Qtr)

August 25

BAS (Jun 22 Qtr)*

August 28

Taxable Payments Annual Report

September 15

WorkCover Reconciliation Return

October 28

Super Guarantee (Sep 22 Qtr)

November 25

BAS (Sep 22 Qtr)*

January 28

Super Guarantee (Dec 22 Qtr)

February 25

BAS (Dec 22 Qtr)*

April 28

Super Guarantee (Mar 22 Qtr)

May 26

BAS (Mar 22 Qtr)*

June 30

2023 Trust Distribution Minutes

*BAS due dates are based on Tax & BAS Agent lodgement concession due dates.