

April 2023

Cornerstone Accounting Services Newsletter April 2023

Last chance! The deadline for lodgement of YE22 personal and business tax returns through tax agents is less than one month away - 15 May 2023.



Want to share documents?

We now offer our clients the convenience of using a shared secure folder for storage of their documents. Rather than dropping documents into the office or emailing, you just drop them into a shared folder. We can see your documents and you can see ours.

This method can help you save on document scanning charges as well. Contact us if you'd like to take advantage of document sharing.

**CORNERSTONE**

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Tax News

Important updates from the ATO

Working from Home

The rates and rules have changed for the 22/23 year

There are two methods for claiming working from home expenses - fixed cost method and actual costs. Cornerstone will apply the most advantageous and applicable method to claiming your work from home expenses.

You should keep records which substantiate your work from home claims. Timesheets which record your actual working from home hours are essential, especially if your hours vary from week to week.

You may be able to claim a percentage of electricity, phone, and stationery, however, this will depend on the method used.

You can separately claim a deduction for the work-related use of technology and office furniture such as chairs, desks, computers, bookshelves. These are generally depreciating assets that decline in value over time. You can also claim the repairs and maintenance of these items.

If the item cost \$300 or less and you use it mainly for a work-related purpose, you can claim an immediate deduction for the cost in the year you buy it. This may include items, such as keyboards, power boards, desk lamps and chargers.

Do you own a rental property?

If you wish to rent out a property, you must be able to substantiate that it is genuinely available for rent in order to claim any deductions.

If you've purchased the property in order to rent out, you can't claim the purchasing costs, but you can claim the interest paid on the mortgage.

Other expenses you can claim include:

- Agent's Fees
- Advertising
- Cleaning
- Land Tax
- Council Rates
- Repairs & Maintenance
- Insurance
- Utilities (if not paid for by the tenant)
- Assets purchased for the property under \$300
- Depreciation on assets over \$300
- Depreciation on capital works.

You must claim a portion of these expenses if you rent out part of your house or if you share ownership of the rental property.

When you sell your rental property, capital gains tax (CGT) may apply. Cornerstone can assist you with understanding the implications of CGT.

Business News

Superannuation Rates and Obligations

The rate for superannuation guarantee (SG) for employees is due to increase on 1 July 2023.

The minimum rate will increase to 11%. There is no minimum threshold. SG is payable on every dollar you pay to your employee.

Employers should ensure their accounting software pays the SG on the following which are considered Ordinary Time Earnings (OTE):

- Normal Wages
- Holiday Pay
- Holiday Loading
- Sick Leave, Long Service Leave, Domestic Violence Leave
- Shift Loading
- Commissions
- Bonuses
- Backpay (even if the employee no longer works for you)
- Termination Payments (in lieu of notice)

Superannuation is not payable on these types of payments:

- Overtime
- Parental Leave
- Jury Duty, Defence Reserve Service
- Expense Allowance (to cover expenses expected to be used in full)
- Reimbursements
- Termination Payments - unused annual leave, long service or sick leave.

Cornerstone can help you navigate the complex requirements of superannuation.

Do I need to pay SG to Contractors?

If you pay contractors mainly for their labour, they are employees for SG purposes. You may need to pay super to a fund for them.

Make super contributions for contractors if you pay them:

- under a verbal or written contract that is mainly for their labour (more than half the dollar value of the contract is for their labour)
- for their personal labour and skills (payment isn't dependent on achieving a specified result)
- to perform the contract work (work cannot be delegated to someone else).

If you enter into a contract with a company, trust or partnership, you do not have to pay super for the person they employ to do the work.

What if I'm late paying my SG?

If you are late paying your SG or do not pay an employee's SG to the right fund on or before the due date, you must:

- lodge a superannuation guarantee charge (SGC) statement within ONE MONTH of the due SG date (eg this quarter's due date is 28 April so the SGC must be lodged by 28 May.)
- pay the super guarantee charge.

The SGC includes admin charges, nominal interest and is calculated differently to normal superannuation. Contact us if you need to lodge an SGC.

Business News

What are Fuel Tax Credits?

If you run a business, you may be eligible to claim fuel tax credits on your BAS

Fuel tax credits provide businesses with a credit for the fuel tax (excise or customs duty) that's included in the price of fuel used in:

- machinery
- plant
- equipment
- heavy vehicles
- light vehicles travelling off public roads or on private roads.

The amount depends on when you acquire the fuel, what fuel you use and the activity you use it in.

Are you eligible?

There are many fuels and scenarios where fuel tax credits are claimable.

The ATO provides an eligibility calculator or you can contact us at Cornerstone and we can assist.

If you are eligible, we can register you with the ATO for fuel tax credits and assist you in adjusting your accounting software to include this in your BAS calculations.

What can you claim?

Fuel tax credits change regularly and different rates apply to different fuels so it is important that the correct rate is claimed. Cornerstone can assist you in ensuring your BAS is completed correctly.

What records do you need to keep?

You need to keep all fuel receipts to record the amount of litres and the type of fuel used. There are several options for using your accounting software to record these transactions. Contact us to find out.

Cornerstone Update

Need an Appointment?

The easiest way to book an appointment is through our website. You can choose from a quick free, 10 minute Q&A session or 30, 60, or 90 minute appointment.

Just go to our website and click on the appointment that suits you best.

<https://cornerstonetas.com/virtual-accountant-consultant-meetings/>

Important Dates

28 April 2023 - Q3 superannuation payments & Q3 PAYG Instalments due

8 May 2023 - Federal Budget announced

15 May 2023 - Income tax returns due

26 May 2023 - Q3 BAS lodgement & payments due

30 June 2023 - End of 22/23 Financial Year

1 July 2023 - Super guarantee rates rise to 11%

Choose what suits you!

If there is one thing that we have learned from COVID, is that there are many ways to do business. The traditional face to face meetings which can mean you need to spend hours in your day travelling to and attending a meeting with your Accountant, are not necessarily the most efficient ways to spend your time. Shoeboxes full of receipts are also on the way out.

At Cornerstone, we realise not everyone fits into the same mould so we offer a choice to our clients. If you would like to attend the office for meetings, you certainly can. If you have all your tax information electronically, you can send it to us via email and this will ensure your annual bill with us is cheaper.

And, if your tax requirements aren't that of a sole trader or small business, but you still want to keep track of tax deductible expenses, we can help you with easy calculators which will do away with the shoebox forever!

Cornerstone Update

2022/23 Minimum Pricing Policy - Inc GST

Minimum Tax Return Preparation (no interview)	Individual Per Individual of a couple Pensioner/Student	\$148.50 \$132.00 \$132.00
The following are charged at a variable rate based on our current charge out rates:	<ul style="list-style-type: none"> • Client Meetings • Capital Gains Tax Schedules • Rental Property Schedules • Document Scanning 	
Bookkeeping/SMSF/ASIC	<ul style="list-style-type: none"> • Bookkeeping • ASIC Annual Reviews • Attendance to Lodgement/Other ASIC matters • SMSF Audit Co-ordination Fees • ATO Payment Reminders 	\$75.35/hr \$66.00 \$60.50 \$82.50 \$66.00
Other Services	<ul style="list-style-type: none"> • ATO Payment Plans* • Tax research/tax advice/business advice* • Meetings • Bank dealings • Return Not Necessary • Variation/\$NIL BAS/IAS Lodgements 	\$57.75 \$57.75 \$57.75 \$57.75 \$55.00 \$55.00

*Pricing is based on our current charge out rates and will vary depending on complexity and time taken