

Baby bonus drops

Under legislation recently tabled, from 1 July 2013 the baby bonus will reduce from \$5,000 to \$3,000 for second and subsequent children.

Under the new bill, the \$5,000 baby bonus will continue to be paid for a family's first child and for each child who comes into the family in a multiple birth, adoption or entrustment to care.

However, the baby bonus amount will reduce to \$3,000 for second and subsequent children who come into a family from 1 July 2013.



ATO data matching programs

You should be aware the Australian Taxation Office (ATO) has announced two data matching programs. They will go to:

- **Centrelink and Veterans' Affairs** to collect names, addresses and other related information of taxpayers who received tax free government pensions or benefits in 2010/11 and 2011/12 and compare them with their claims for dependent tax offsets
- **Local councils and shires** throughout Queensland, Tasmania, NSW and Victoria to acquire details of payments to approximately 20,500 individual contractors in 2010/11 and 2011/12.

RLA extended opening hours

July, August and September is what we at Roz Lahey Accounting call the silly season - the time everyone wants an appointment to talk tax returns.

For your convenience we will be working extended hours for the next three months.

Monday	7.30am to 6.00pm
Tuesday	7.30am to 6.00pm
Wednesday	7.30am to 5.00pm
Thursday	7.30am to 5.00pm
Friday	7.30am to 4.00pm
Saturday	8.00am to 12.00pm

Phone early to secure an appointment time that suits you!



ACCOUNTANT'S JOKES A nervous taxpayer was unhappily conversing with an ATO auditor who'd come to review his records. At one point the auditor exclaimed, "Mr Smith, we feel it's a privilege to live and work in Australia. As a citizen you have an obligation to pay taxes and we expect you to pay them eagerly with a smile". "Thank goodness" replied Mr Smith, with a giant grin on his face. "I thought you were going to want me to pay with cash".

Get to know our clients...

Jen and Garry McFarlane established **Barbeques and More** Browns Plains in September 2001. They live locally and saw an opportunity for a barbeque specialist in a growing residential and retail area. The business has grown through a focus on customer service and the ability to offer the latest products available in Australia.

Outdoor kitchens, indoor and outdoor heating are specialties. Customers can simply browse or chat with the team about their barbeque or heating needs.

Pop into the showroom to say hello and browse the extensive range of barbeques, outdoor kitchens and heaters or visit their website barbequesandmore.com.au.

Barbeques and More have been valued clients of Roz Lahey Accounting for 12 years.



“ The hardest thing in the world to understand is income tax. **Albert Einstein** ”

RLA Insight

From your trusted accountant

Edition 1 • June 2013



From the Director, Roz Lahey

Welcome to the first edition of **RLA Insight** – an opportunity for us to help keep you abreast of what's new or topical in the world of accounting and taxation. RLA Insight will be published quarterly and touch on changes to Australian Taxation Office (ATO) and government legislation as well as informative topics valuable for you personally, or your business.

This edition is perfectly timed to coincide with the end of the financial year and is packed with tips to help keep your money in your pocket, not the taxman's!

I'm excited to announce this edition also coincides with the launch of our website www.rozlahey.com.au. Check out the article below for more about our new website.

Our clients are the most important part of our business. The team here is passionate about looking after you, or your business. That means meeting obligations on time, minimising tax, maximising profitability and ensuring you have the best tools for decision making.

We're keen to build that same strong and trusted relationship with other clients and small business owners. With this in mind, don't forget our **'Client Rewards'** for referrals – a **discount of 20%** off your next accounting invoice for referring family and friends.

The best compliment is a referral from a valued client so please don't keep us a secret.

Until next time,
Roz

Roz Lahey Accounting is now online

www.rozlahey.com.au

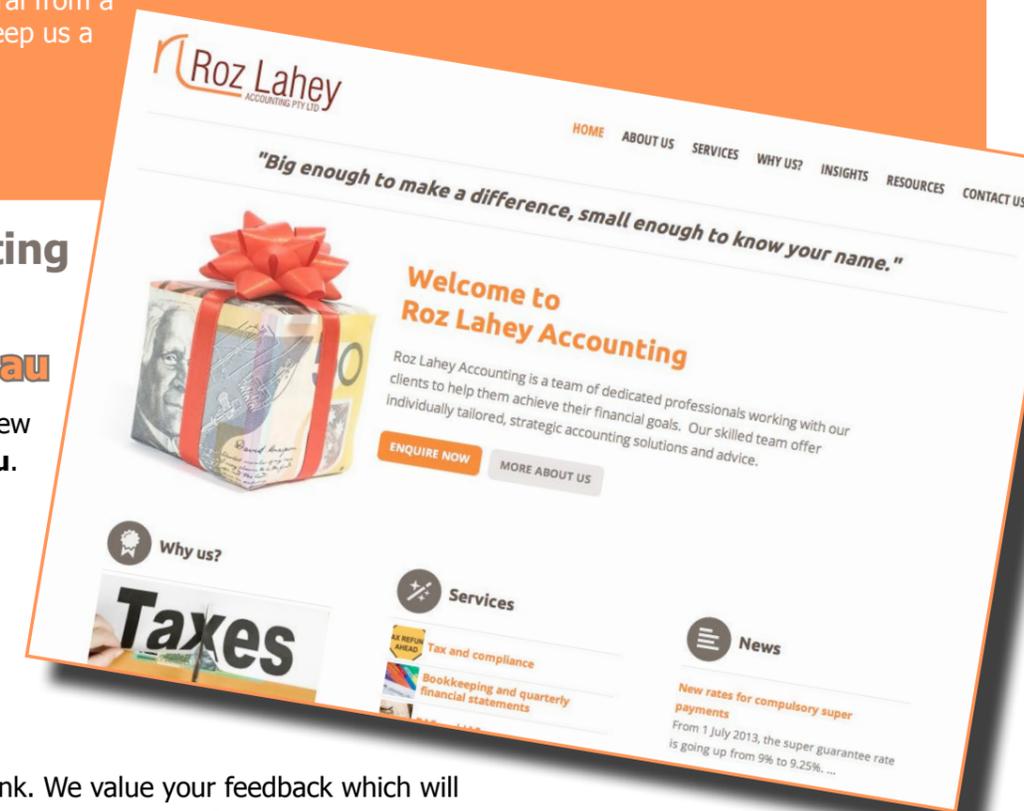
Take the time to check out our new website www.rozlahey.com.au.

Here you will find information about the team, our suite of services, how to get in touch with us, useful links and current tax or accounting news such as the 2013 federal budget post analysis.

Make sure to tell us what you think. We value your feedback which will help us continually improve the online experience for you!

Did you know Roz Lahey Accounting is also on Facebook? Like us on Facebook for regular updates.

Stay in touch with us for help achieving your financial goals.



Get in touch with us today...

Call	Web	Email	Visit
(07)3277 9544	www.rozlahey.com.au	info@rozlahey.com.au	1102 Beaudesert Road Acacia Ridge Qld 4108

Roz's 2012-13 tax tips

Can you believe we're nearing the end of another financial year already? Now is the perfect time to get prepared to submit your 2012-13 tax return.

The following are my end of financial year strategies to help keep your money in your top pocket, not the taxman's.

Claim for all work-related expenses

Make sure you keep documentation (such as receipts) for work related expenses. If you have spent less than \$300 on expenses there is an automatic write off. Anything over that, you will need to prove the expense and how it relates to earning your income.

Changes to the medical expenses rebate

If you have high medical expenses (after refunds from Medicare and your private health fund), you are entitled to claim a rebate. Low income earners can claim a 20 per cent rebate on the excess over \$2,120. High income earners (\$84,000 for singles or \$168,000 for a couple) can only claim medical expenses over \$5,000 with the offset being ten per cent.

Investment portfolio strategy

If you have experienced capital losses this year, you may want to consider offsetting these against capital gains. (**Roz's hot tax tip** – if you sell shares at a loss and then immediately buy them back, the Australian Taxation Office (ATO) deems this to be a wash sale and penalties can apply).

Pre-pay deductible expenses

If your cash flow allows, you can take advantage of pre-paying some expenses such as income protection insurance and interest on loans up to 13 months in advance. This can help reduce your tax liability.

Rental property expenses

Be mindful of investment property expenses that can be claimed such as pest control, repairs and interest on mortgage. Remember, you need to retain all documentation for audit purposes.

Superannuation co-contribution

Even though the government has dropped the co-contribution amount from \$1,000 to \$500 for those who earn less than \$46,920, this is still money for nothing!

All you need to do is make a non-concessional contribution of \$1,000 to your complying super fund. If you earn less than \$31,920 the government will chip in the full \$500. This amount tapers down until it cuts out at an income level of \$46,920. For those that can take full advantage of the \$500, this is a 50% return on your money.

Asset purchases

For small businesses with a turnover less than \$2 million, you can now take advantage of the \$6,500 asset write-off. Where previously assets exceeding \$1,000 needed to be depreciated, you can now fully write off assets under \$6,500 and depreciate assets over \$6,500.

Transition to retirement

Some of you may not have heard this terminology before, but it is worth looking into. If you are aged over 55 and planning retirement, consider discussing transition to retirement with your financial or super fund advisor. For some taxpayers, this will give you the ability to cap your tax rate at 15%.

Maximise concessional contributions

Again, this depends on the cash flow in your business. The superannuation contributions cap for this year is \$25,000 for all ages. I encourage those who can afford it, to top up your superannuation contributions for the year both from employer super guarantee and salary sacrificing to \$25,000. Be careful not to exceed the \$25,000 cap or you will incur penalties and interest.



Year end tips for property owners

Great tips for investment property owners to maximise tax deductions this financial year.

- **Be prepared to substantiate your claim.** Keep receipts to prove your deduction and show why the expense was incurred to derive assessable income.
- **Organise inspections.** Carry out property and pest inspections and ensure work required is carried out before June 2013.
- **Prepare a depreciation schedule by a qualified quantity surveyor.** This may help add a significant tax deduction for depreciation. The cost is also tax deductible and helps substantiate capital allowance claims.
- **Pre-pay interest.** If allowed by your lender, this is an excellent strategy to defer the payment of tax. Factors such as anticipated future income, interest rates and cash flow impact should be considered beforehand.
- **Increased Capital Gains Tax (CGT) monitoring.** The ATO has ramped up data matching to help identify undisclosed capital gains, including gains from disposing of assets to invest in superannuation. Ensure capital gains on the sale of property are correctly recorded.
- **Borrowing cost.** Borrowing costs may be written off over the lesser of five years or term of the loan.
- **Fixtures and fittings.** Purchase items that cost less than \$300 to claim an immediate tax deduction.
- **Renovations by previous owner.** You may be eligible for a deduction for depreciation on the cost of improvement by a previous owner, provided items are identifiable and itemised in a depreciation schedule.

'Super'-annuation news

Super guarantee upper age limit gone

From 1 July 2013, there is no upper age limit for making super guarantee contributions for an employee. Removal of the limit is to encourage mature workers to stay in the workforce.

If you own a business, this means you may need to make super guarantee payments for eligible employees aged 70 years or more.

Changes to the super guarantee rate

If you own a business and pay super to employees, there are important changes you need to be aware of.

To help grow Australian workers savings for retirement, the compulsory super guarantee rate will gradually increase from 9% to 12%. When you make super payments on behalf of your employees based on the minimum 9% super guarantee rate, you need to increase the rate on which you base your calculations to 9.25% from 1 July 2013. The super guarantee rate will gradually increase to 12% over seven years.

Year	Rate
Current rate	9%
1 July 2013	9.25%
1 July 2014	9.5%
1 July 2015	10%
1 July 2016	10.5%
1 July 2017	11%
1 July 2018	11.5%
1 July 2019 and beyond	12.00%



Find lost super

If you have changed your name, address or job at one stage or another, you may have lost super listed with the Australian Tax Office (ATO).

To find out, use the ATO free online search tool **SuperSeeker** which allows you to check your current super accounts, find lost super or super they are holding for you and use the online transfer form.

To access this ATO service, you first need to register online. Go to www.ato.gov.au and type in the search box 'superseeker' and follow the prompts.