

# THINGS TO DO BEFORE JUNE 30



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## INDIVIDUALS

These year-end tax tips are designed to provide individual taxpayers with a list of key issues that they should consider in preparing their income tax returns for the year ended 30 June.

The list is not exhaustive and if there is anything we can assist you with, or you are concerned about, please contact us today to discuss.

### CONCESSIONAL SUPER CONTRIBUTIONS CAP

The concessional contribution cap for the 2019/2020 financial year is:

- \$25,000 which includes what your employer contributes.
- You may be eligible to contribute above the \$25,000 cap if you have a rolled over concessional contribution cap from 2018/19. We can advise you what this cap is if you are not sure.

It is important to review any contribution strategies you may have and adjust in line with the above caps before 30 June 2020. Employees can also now claim a tax deduction for post-tax contributions made to the fund, whereas previously this was only available to self-employed individuals.

If you have in place salary sacrifice, the tax savings can be wasted if you then incur excess contribution tax by exceeding the concessional contribution cap so be mindful of the limits.

Any contributions in excess of these limits can be taxed at a rate of 47%.

If you have contributed superannuation post tax, and not through a salary sacrifice arrangement and you wish to claim a tax deduction for this, ensure that you contact your superannuation fund to complete a 'Notice of Intention to claim or vary a deduction for super contributions'. This form needs to be completed and returned to your super fund. The ATO requires that you have the subsequent confirmation from your superannuation fund prior to the lodgement of your return.

#### Warning:

Any contribution must be received by the superfund before 30<sup>th</sup> June. This year 30<sup>th</sup> June is a Tuesday. It is therefore recommended that any contribution is paid by 23<sup>rd</sup> June 2020 or earlier subject to your superannuation fund requirements. We recommend you confirm this date with your superannuation fund.

### SPOUSE SUPER CONTRIBUTIONS

Does your spouse earn less than \$37,000 in a financial year? If yes, you could make a superannuation contribution up to \$3,000 on their behalf and claim a tax rebate of up to \$540.

### GOVERNMENT CO-CONTRIBUTIONS

Employees and self-employed individuals earning less than \$38,564 this financial year may be eligible for the government co-contribution payment of \$500 if a personal (after tax) contribution of at least \$1,000 is made into superannuation and you do not claim a tax deduction. If you earn more than \$38,564 but less than \$53,564 this financial year you could still be eligible for a pro rata amount.

### EXCESS CONCESSIONAL CONTRIBUTIONS REFUND

If you exceed your concessional contributions cap during the 2019/2020 financial year and onwards, you can withdraw any excess contributions made from 1 July 2019 from your Super Fund. These excess contributions will then be taxed at the individual's marginal rate, plus an interest charge (as would happen for income tax paid late to the ATO), rather than the top marginal tax rate.

## Topics:

Concessional Super Contributions Cap

Spouse Super Contributions

Government Co-Contributions

Excess Concessional Contributions Refund

## Office Hours:

8:30am to 5:00pm

Monday to Friday

Closed Public Holidays

# THINGS TO DO BEFORE 30 JUNE



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## Topics:

*Property Depreciation Report*

*Motor Vehicle Log Book*

*Insurance Premiums*

*Work Related Expenses*

*Negatively Geared Investments*

*Prepay Expenses and Interest*

*Donations*

*Medical Expenses*

*Medical Tax Offset Phased Out*

*Social Media*

## Office Hours:

8:30am  
to  
5:00pm

Monday  
to  
Friday

Closed Public  
Holidays

### PROPERTY DEPRECIATION REPORT

If you have an investment property, a Property Depreciation Report (prepared by a Quantity Surveyor) will allow you to claim depreciation and capital works deductions on the property assets.

The cost of this report is generally recouped several times over by the tax savings in the first year of property ownership. Please see the Rental Property Investment Sheet for important changes to deductibility of depreciation on investment properties.

### MOTOR VEHICLE LOG BOOK

Ensure that you have kept an accurate and complete Motor Vehicle Log Book for at least a 12-week period. The start date for the 12-week period must be on or before 30 June 2020. You should make a record of your odometer reading as at 30 June 2020, and keep all receipts/invoices for your motor vehicle expenses.

### INSURANCE PREMIUMS

Income protection insurance replaces up to 75% of your salary if you are unable to work due to sickness or an accident. The insurance premium is generally tax deductible if paid by yourself rather than through your superannuation fund.

### WORK RELATED EXPENSES

Don't forget to keep any receipts for work-related expenses such as uniforms, training courses and learning materials, as these may be deductible for tax purposes. Please refer to the 'Individual Tax Checklist 2020' for more information regarding work related deductions.

### NEGATIVELY GEARED INVESTMENTS

Consider the use of negatively-geared investments to generate excess deductions that can be offset against current year income.

### PREPAY EXPENSES AND INTEREST

Expenses relating to investment activities can be prepaid before 30 June 2020. You can prepay up to 12 months of interest (subject to your loan conditions) before 30 June on a loan for a property or share investment and claim a tax deduction this financial year. Also, other expenses in relation to your investments can be prepaid before 30 June, including rental property repairs, memberships, subscriptions, and journals.

### DONATIONS

Consider making deductible gifts before year's end.

### MEDICAL EXPENSES & TAX OFFSET PHASED OUT

The deduction of medical expenses and any available offset was abolished on 30 June 2019. Therefore, no offset is available for any out of pocket medical expenses incurred from 1 July 2019.

### FACEBOOK & INSTAGRAM

We are now on Facebook & Instagram. Please follow our page by clicking on the links below for access to reminders, advice and important information regarding tax updates and government announcements. Please do us the honour of sharing our posts with your friends and leave a review! Your business is our business!

