



GOODMAN
CHARTERED ACCOUNTANTS

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BUSINESS TAX CHECKLIST 2022

BUSINESS DETAILS

Business Name: _____

Entity Name: _____

TFN: _____ ABN: _____ ACN: _____

Business Address: _____

Postal Address: _____

Telephone: (H) _____ (W) _____ (M) _____

Email: _____ Fax: _____

Industry: _____

Where reply
is 'YES' please
supply
supporting
documents



BANK DETAILS

All refunds will need to be banked into a bank account. Irrespective of whether you are giving us authority to deduct your refund, we will still require you bank account details. i.e. Name of Bank, BSB Code, Account Number and Account Name

Bank: _____ BSB No: _____ Account No: _____

Account Name: _____

ACCOUNTING FILE

1. Computerised Accounting File

If your accounting software is cloud based, such as MYOB Essentials, MYOB Account Right, Xero, Reckon or Quickbooks please send an invitation to david@dgca.com.au to be an Administrator of the file. This will allow us to review your accounts and make adjustments.

If your accounting system is not cloud based, please include a backup of your accounting file on a disk or USB (eg. MYOB AccountRight Plus, MYOB AccountRight Premier, MYOB Accounts Edge, Quickbooks, etc). Please advise what program and version you are using. If the file requires a log in, please advise the Username & Password.

Please do not make adjustments to your accounting software for year ended 30 June 2021 after you have provided us with the details. We recommend that you lock the year but do not roll over until we provide an adjusting journal, have entered the adjustments into the Accounting File and we have checked the amended Balance Sheet at 30 June 2021.

2. Manual Cashbook/General Ledger

If you maintain your accounting records in a cashbook such as an excel spreadsheet, please provide us with a copy. If manual cashbooks are recorded in a book, please provide this to

YES NO

ATO DOCUMENTS

3. Instalment Activity Statements

We will require full copies of each of your annual/quarterly/month Instalment Activity Statements (IAS) so we can offset the tax paid against your assessment. If we act as your tax agent, we can obtain copies of these from the ATO portal.

4. Business Activity Statements

We will require full copies of each of your annual/quarterly/month Business Activity Statements (BAS) so we can reconcile these to your financial statements and offset any tax credits. If we act as your tax agent, we can obtain copies of these from the ATO portal.

5. Group Tax (PAYG) / Single Touch Payroll

If your business has not enrolled with Single Touch Payroll, we will require copies of all of your employees PAYG Payment Summaries and your annual PAYG Payment Summary Statement. We note that from 1 July 2021, Single Touch Payroll is compulsory for all employers so if you have not registered by now, you need to now to ensure that you are compliant by 1 July 2021.

If you report your payroll through Single Touch Payroll software ensure that you have finalised your STP for the year ended 30 June 2021.

6. Payroll Tax

If you are registered for Payroll tax, we require copies of your 2020/2021 payroll tax returns and the supporting calculations. Please refer to our 'Newsletter 2021' on our website for important information regarding Payroll Tax changes due to Covid-19 such as some JobKeeper payments being exempt wages for payroll tax where the amount paid exceeds their ordinary wages.

7. Workcover

We require a copy of the latest WorkCover declaration showing the premium paid and the actual wages declared for the year ended 30 June 2021. Please refer to our 'Newsletter 2021' on our website for important information regarding JobKeeper payments in your declaration. More information from Workcover Qld can be found here - [jobkeeper payments and wages declaration](#).

8. Taxable Payments Report

We require a copy of your lodged Taxable Payments Report if you are registered to lodge one. If we are lodging it for you, please provide a full list of all contractors, ABN, GST status and amounts paid during the year. These are applicable for businesses in the 2020/2021 financial year who are in the following industries:

- Building & Construction Services
- Cleaning Services
- Courier Services
- Road Freight Services
- IT Services
- Security, investigation or surveillance services
- Mixed Services (a business that provides one or more of the services listed above)
- Government entities

ASSETS

9. Bank Statements

We require all bank statements including business credit cards and Bartercard and the year-end bank reconciliation for all business accounts.

10. Debtors

At 30 June each year you are required to make a listing of customers and the money that they owe you. For manual lists we require you to advise us as to whether the debtors figure includes or excludes GST. If you use a factoring company please provide statements for the whole year.

11. Bad Debts

A list of Bad Debts is required as at 30 June indicating whether it includes or excludes GST. To qualify for a deduction, bad debts must be actually written off by 30 June and have been recorded as income in the current or prior years. There must be a physical writing off of the debt – not necessarily a book entry but something in writing to indicate that you have treated the debt as bad and written it off (e.g. a notion on a ledger card or in an account). A writing-off which takes place after the close of the tax year but which relates back to the previous year is insufficient to obtain a deduction in the earlier year.

12. Work in Progress (WIP)

In relation to Construction and Manufacturing, you are required to calculate the WIP as at 30 June each year.

13. Stock

A stocktake and listing is required at 30 June each year. The listing must describe each article of stock on hand, the quantity held, the cost of each item and the total values. The cost should exclude GST if you are registered for GST. If the net realisable value is less than cost then this should be used to determine the stock value. Please also advise the method used (e.g. cost, market value).

14. Plant & Equipment

Details of any new Plant and Equipment and Motor Vehicles purchased including date purchased, amount paid and a description of the asset.

Where plant is scrapped, a deduction may be available, depending on its depreciated value. However the item must actually have been destroyed or disposed of. It will not be sufficient to show merely that the taxpayer has made an appropriate entry in its books. An item is scrapped when it is thrown on the scrap heap or when it is broken up for sale or used as scrap. Please use last year's depreciation schedule to identify any assets you have sold or scrapped. This should be brought in when you bring your work into the Office.

15. Investments

For purchase and sale of investments we will require copies of the purchase and or sale contracts. We will also require details of income including dividend notices, annual tax statements for trust investments, term deposit records and interest statements.

LIABILITIES

16. Creditors

At the 30 June each year you are required to make a listing of suppliers to whom you owe money and the amount. You should also record against each supplier the expense type. We also require you to advise us as to whether the creditors figure includes or excludes GST.

17. Loans

We require all loan statements and details of any prepaid interest. This will also apply to any private loan agreements however we will also require a copy of this agreement.

18. New Hire Purchase, Lease & Chattel Mortgage Agreements

Provide details on any new Hire Purchase, Lease and Chattel Mortgage agreements entered into including copies of the finance agreement and invoices for the goods purchased.

INCOME

19. Business Income

Please provide details of all business income between 1 July 2020 - 30 June 2021 and any GST that applies. If your business has been in receipt of the ATO Cash Flow Boost, Grants, Apprentice Subsidy payments or JobKeeper payments please ensure these are listed separately to your regular business income.

20. Dividends

If you received dividends please provide copies of dividend statements. Unfranked, partly franked and fully franked dividends are assessable for taxation purposes.

Tax tip - Where a reinvestment program has been entered into the value of that dividend reinvestment is taxable and forms the cost base of your new shares.

21. Capital Gains / Losses

Provide a description of the asset, the purchase date, the purchase cost, the date and amount of any expenditure incurred by the taxpayer that forms part of the asset's cost base including eligible incidental costs, the sale date, and the sale proceeds amount. We also require copies of the purchase and sale contract and where applicable the Solicitors settlement statement.

21. Rent

- Provide details of:
- Rental income earned
 - Interest charged on money borrowed for the rental property
 - Details of other expenses relating to the rental property
 - Details of any capital works expenditure to the rental property
 - Property Agent year end statement for the full year
 - Quantity Surveyors depreciation report.

Please refer to the 'Rental Property Investment Fact Sheet' on our website for more information.

22. Managed Investments

Provide details of the managed investment trust fund payment and type of income received. We require a copy of the annual tax summary report as well as the annual investment report.

23. Government Stimulus Payments - Covid 19

The Federal and State Governments have provided various stimulus payments to businesses. Please advise if you have been in receipt of any of the following:

- o **JobKeeper** - either for yourself as an eligible business participant or as a reimbursement of your employee wages, or in some cases both. This payment is taxable income (no GST applies) and should be recorded in your accounting software as 'Other Income - Jobkeeper Payment' and not offset against your wages expense.
- o **Cash Flow Boost** - This was available for employers who met the criteria as at 12 March 2020. You should have received at least a \$5,000 credit when you lodged your June 2020 BAS/IAS and another \$5,000 when you lodged your September 2020 which would have been refunded to you, less the remaining liability for GST or PAYG Instalments on that BAS/IAS. This payment is not taxable income and no GST applies. It should be recorded in your accounting software as 'Other Income - Government Subsidies - Cash Flow Boost'.
- o **Apprentice Wage Subsidy** - This was available to eligible businesses who applied for the subsidy, which was 50% of eligible apprentices' wages paid between 1 January 2020 and 30 September 2020. If you have received this subsidy ensure that it is recorded in your accounting software as 'Other income - Government Subsidies - Apprentice Wage Subsidy'.
- o **Grants** - There were various grants offered by the State Government. If you have been in receipt of any grants, please ensure that they are recorded in your accounting software as 'Other Income - Grants' and not as ordinary business income. Also be mindful as to whether any GST applies to the grant. Please provide us with the documentation as some grants need to be acquitted. Depending on the grant, it may or may not be taxable income to the business.

For more information regarding these subsidies and payments, please refer to our website under the 'Client Tools - Current Year' tab.

DEDUCTIONS

Tax tip: Each year as year-end approaches, taxpayers could consider whether there are any deductible expenses which could be paid with commercial justification by 30 June, rather than in the first few months of the following year. This will give the benefit of an accelerated deduction. The resulting tax timing benefit must of course be measured against the effect on liquidity and the interest cost on the accelerated payment.

24. Work related car expenses

There are 2 methods available:

1. Cents per kilometre method

This claim is based on a set rate for each business kilometre travelled. The rate from 1 July 2019 is now a flat rate of 68c/km and will increase to 72c/km from 1 July 2021, no matter the make or model of the vehicle or its' engine size. The total kilometres travelled for work purposes can be claimed by applying the set rate per kilometre, up to a maximum of 5,000 business kilometres. If this applies to you, please provide the Year, Make and Model of your vehicle and a log book to show the amount of kilometres travelled for work purposes. The maximum deduction available for this method for the 2020/2021 year is \$3,400.

2. Log Book Method

This claim is based on the business use percentage of the motor vehicle expenses. There must be a log book maintained for 12 consecutive weeks. The resulting business use percentage may then be applied to all car expenses to calculate a deductible amount. The log book must be renewed every 5 years or if the business use percentage varies downward by 10%.

We require the commencement and completion date of your log book as well as the Make, Model, Date purchased and purchase price. We will also require the actual costs of the motor vehicle including fuel, registration, insurance, repairs and maintenance, leasing agreements and any interest on loans.

We note that work related travel does not include to and from home or going to the post office on the way to or from work. There are exemptions if you are required to transport your own tools or equipment from home to work, however specific rules apply to be able to use this exemption.

Please provide the documentation to support your method of choice.

For more information on claiming motor vehicle expenses please refer to the ATO website at Car Expenses.

If your business is a registered company, Fringe Benefits tax rules apply to the use of any motor vehicles owned by the company which are also used privately by owners or employees.

25. Wages & Salaries

Please provide details of your wages for each employee and the tax withheld so that it can be reconciled against your PAYG Payment Summaries and PAYG Payment Summary Statement or Single Touch Payroll finalisation report. Please advise if you have enrolled in the JobKeeper program and for what employees it applied to.

26. Superannuation

Please provide details of all superannuation payments made on behalf of your employees during the year. It is not necessarily the amount on your payroll report. Only payments received by the superannuation fund it was paid to during the year are deductible for tax purposes. If cash flow allows, we recommend paying all superannuation owing before 23 June 2021 to ensure receipt into the superannuation fund and to maximise your tax deduction.

Please also provide details of any personal superannuation contributions paid by the owners of the business into their superannuation funds which were not paid through the business's payroll system. If you are wanting to claim a tax deduction for personal superannuation contributions, please ensure you have completed a 'Notice of Intention to Deduct a Superannuation Contribution' form from your superannuation fund and received a confirmation letter before we process your tax return.

Please refer to the '2021 Newsletter' on our website for more information regarding personal superannuation contributions and the deductibility of such.

27. Depreciation on business assets

Generally, business assets which are over \$300 are depreciated at the useful life of the asset. There are, however, accelerated options which in the short term, will increase your deductions for the 2020/2021 year, such as the instant asset write-off, temporary full expensing and backing business investment. For those businesses that qualify as a Small Business Entity these rules were changed during previous Government announcements and the 2020 & 2021 Federal Budgets.

Note that the asset must be new or second-hand first used and be installed and ready to use before 30 June 2021 in order to claim it in your 2020/2021 tax return. (Note the asset must only be new if using Backing Business Investment). The threshold applies on a per asset basis and multiple assets can be claimed. If this method is adopted, then ALL eligible assets must be written off if they are under the threshold. We advise discussing with us the advantages and disadvantages of using this method. Please advise if you wish to adopt on of these methods in the 2020/2021 financial year. We note that the instant asset write off amount does not apply to motor vehicles which cost more than \$59,136 including GST.

The asset thresholds are as follows:

INSTANT ASSET WRITE OFF 2020/2021			
Date Purchased	Asset Cost	Qualifier	
12 March 2020 – 7:30pm 6 October 2020	Up to \$150,000	New and second-hand assets. First used or installed by 30 June 2021	
BACKING BUSINESS INVESTMENT			
Date Purchased	Asset Cost	Rate	Qualifier
12 March 2020 – 7:30pm 6 October 2020	\$150,000 and over	57.5% in first year using simplified depreciation	New assets only under Division 40
INSTANT ASSET WRITE OFF 2020/2021			
Date Purchased	Asset Cost	Qualifier	
7:30pm 6 October 2020 – 30 June 2023	No threshold – temporary full expensing	New and second-hand assets. First used or installed by 30 June 2023 7:30pm 6 October 2020 – 30 June 2023	

28. Business Expenses

Ensure all business expenses have been coded correctly in your accounting system and the appropriate GST has been claimed (if registered). Be mindful of expenses which may not include GST such as motor vehicle registration, company filing fees, stamp duty on insurance policies, some professional memberships, income protection premiums and certain groceries (if business related).

A common misconception is that meetings such as lunches/dinners with colleagues or clients are a deductible expense. Unless you are registered for Fringe Benefits Tax, these expenses are considered 'Entertainment' and are not deductible for either taxation or GST. The yearly staff Christmas party also is considered 'Entertainment'. If you are required to travel away for work purposes, and you eat a meal out, the cost of your meal is deductible as 'Travel Expenses' but the cost of anyone else you dine with that you may pay for, is considered Entertainment.

If you use a bank account which is used for both business and private expenses, ensure that private expenses are coded to drawings or a loan account (depending on your business structure) and no GST is claimed on these expenses.

NOTES AND QUESTIONS

Multiple horizontal lines for writing notes and questions.

TAXPAYER'S DECLARATION

I declare that the information I have provided in this questionnaire (including any attachments) are true and correct to the best of my knowledge. I declare I have the necessary receipts and/or other records (or can obtain the necessary written evidence within a reasonable time) to support my claims.

Name: _____

Taxpayer's Signature _____ Date: ____/____/____

