

Tax Planning for 2018

It is the time of year to again start thinking about a year to date review of your business's financial performance.

There is nothing more frustrating than an unexpected tax liability!

To avoid this potential problem, we recommend that you undertake a planning process with us before the end of June.

Planning will alert you to what your potential income tax situation is for the 2017/18 year and what options you have in relation to managing that potential tax liability.

To start the ball rolling, please contact us now.

**Pay your employees superannuation on time or you lose the tax deduction
 Did you know?**

As a business, if you do not pay your employee superannuation guarantee contributions by the quarterly cut-off date, you are now not able to claim a tax deduction for the superannuation amount!

Late payments also attract penalties and interest!

To avoid this, and in order to claim a full tax deduction for the payments, they must be paid and received by the superannuation fund by the quarterly cut-off dates below:

Quarter	Period	Payment cut-off date
1	Quarter end 30 Sept	28 October
2	Quarter end 31 Dec	28 January
3	Quarter end 31 March	28 April
4	Quarter end 30 June	28 July

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Instant asset write-off for items under \$20,000 only available until 30th June!

Small businesses can immediately deduct the business portion of most assets if they cost less than \$20,000 (net of GST) and were purchased between 1st July 2017 and 30 June 2018. This is the last financial year the immediate write off is available.

This deduction applies to each asset that costs less than \$20,000, whether new or second-hand. The deduction is claimed through the income tax return in the year the asset was purchased.

You only have 3 months left to access this deduction!

Primary producers can continue to claim an immediate write off for fencing, fodder storage and water facilities after 30 June 2018.

Fuel Tax Credit rate increase from 1 February 2018

The ATO have announced an increase to the Fuel Tax Credit (FTC) rates from 1 February 2018.

Type of fuel	Rate for fuel acquired from 1 Feb – cents
Fuel used on the road (in heavy vehicle greater than 4.5 tonnes)	15.1
Fuel used for all other activities	40.9

Division 293 threshold reduced (extra tax on superannuation contributions)

In prior years individuals with an adjusted taxable income plus concessional (employer or tax deductible) superannuation contributions of \$300,000 or more trigger extra income tax to be paid on their deductible super contributions.

From 1 July 2017 the Government will lower the Division 293 income threshold to \$250,000.

Personal superannuation contribution deduction for employees

Previously only self-employed taxpayers could claim a deduction for a personal superannuation contribution.

From 1 July 2017 this has changed, which means that any individual who makes a personal contribution to their superannuation fund may be eligible to claim a tax deduction whether they are self-employed or not.

Warning – the total tax deductible (concessional) contributions that an individual can have contributed for the 2017/18 year \$25,000.

Example

Employer contribution for year at 9.5% \$5,700
Employee salary sacrificed to super via employer \$5,200 for year
Employee can make further deductible contributions up to \$14,100 from their own funds for the 17/18 year.

Timing - The additional contributions need to be in the super funds bank account prior to the 30/6/2018. Make any personal contributions by the 23rd June 2018.

One Touch Payroll is coming

Single Touch Payroll is the next step in streamlining your payroll reporting. For employers with **20 or more employees it is mandatory from 1 July 2018.**

You will report payments such as salaries and wages, PAYG withholding tax and super information to the ATO when you pay your employees by processing a payroll run, your software needs to then update the ATO.

If you are using payroll software, you should have already received notification from them of the introduction of Single Touch Payroll within the software. If you are not using payroll software and have over 20 employees you **MUST** start using Single Touch Payroll enabled software from 1st July 2018.

Nothing will change with your payroll cycle or due dates for payment of super or PAYG withholding tax, all Single Touch Payroll means is that each pay run the information will be submitted to the ATO.

For more information about Single Touch Payroll, please check the ATO website www.ato.gov.au/stp
If you don't currently use payroll software and would like to know more about which payroll software is right for you, please contact us.

Changes to casual entitlements in some awards from 1st January 2018

On 12 December 2017, the Fair Work Commission varied certain overtime rates and minimum shift entitlements for casual and part-time employees in several awards.

These awards are:

- Fast Food Award
- Hair and Beauty Award
- Hospitality Award
- Passenger Vehicle Award
- Pastoral Award
- Rail Award
- Registered Clubs Award
- Restaurant Award
- Retail Award
- Social and Community Services Award
- Wine Award

Below are the changes to the most used awards:

- Fast Food Award
Casual employees have an entitlement to overtime pay when working more than 38 hours per week or more than 10.5 hours per day.
- Hair and Beauty Award
Casual employees have an entitlement to overtime pay when working more than 38 hours per week or more than 10.5 hours per day.
- Hospitality Award
Casual employees have an entitlement to overtime pay when working more than 38 hours per week or more than 12 hours per day.
- Restaurant Award
Casual employees have an entitlement to overtime pay when working more than 38 hours per week or more than 12 hours per day or shift.
- Retail Award
Casual employees have an entitlement to overtime pay when working more than 38 hours per week or more than 11 hours on one day of the week and more than 9 hours on any other day of the week.

More information can be found on the Fair Work Australia website:

<https://www.fairwork.gov.au/about-us/news-and-media-releases/website-news/changes-to-casual-part-time-entitlements-in-some-awards>

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