

Do you have a valid logbook?

Do you claim motor vehicle expenses using the logbook method?

If so, the ATO are beginning to crack down on logbooks and the information that is included in them.

Log books are only valid for a period of 5 years, however a new logbook can be started at any point and the log must be kept for a minimum 12 week period.

Each logbook you keep must contain all of the following information:

- When the logbook period begins and ends
- Date of each trip
- Odometer reading at start and end of each trip
- Kilometres travelled per trip and reason travelled (e.g. business or personal)
- The total business use percentage in the logbook
- Odometer readings for the start and end of each income tax year that you use the logbook.

The ATO now have a FREE mobile phone app to use instead of the traditional logbook. Why not head on to your mobile phones app store and take a look.



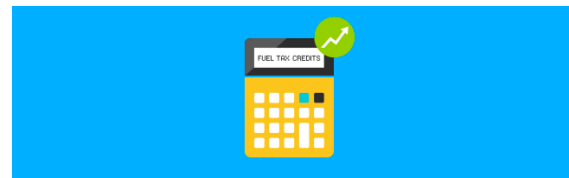
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Fuel Tax Credit rate increase from 1 August 2016

The ATO have announced an increase to the Fuel Tax Credit (FTC) rates from 1 August 2016.

Type of fuel	Rate for fuel acquired from 1 Aug – cents
Fuel used on the road (in heavy vehicle greater than 4.5 tonnes)	13.7
Fuel used for all other activities	39.6



Have you got Safe Tax cover for 2016/17?

The ATO gather details of millions of transactions per year (600 million last year) from third parties and match these to what has been reported in your Income Tax Return and BAS statements.

If they find a mismatch, no matter the size, they will contact you for an explanation.

If the ATO are not satisfied with your response, an audit can arise.

It's not too late to take out Safe Tax cover for the 2016/17 financial year.

Phone our office today to find out more.

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 not able to claim a tax deduction for the superannuation amount!

Even just one day late means you are unable to claim a tax deduction!

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	1 July – 30 September	28 October
2	1 October – 31 December	28 January
3	1 January – 31 March	28 April
4	1 April – 30 June	28 July



Farm management deposit (FMD) can now be used as an offset account

From 1 July 2016 banks have the option of offering FMD offset accounts as an alternative to the traditional FMD account.

So what does this mean?

What this means is that you can offset your FMD against money borrowed for your primary production business. Utilising this offset account means that you will be paying less interest on your loan for the period you have the farm management deposit open.

The offset account option is subject to your financial institutions offer and loan accounts and FMD accounts must be held by the one bank.

ATO responds to dairy crisis

The ATO have sent a memo out to all tax agents advising that the ATO recognise that individuals and businesses can experience financial difficulties due to challenging economic conditions or unexpected events, and take an empathetic approach to working with them to get back on track.

As we know, falling milk prices have directly affected the dairy industry.

As a result, the ATO are offering supportive repayment arrangements and remission of interest to those in the dairy industry who can't meet their tax payment obligations.

You can phone the ATO on 13 72 26 and speak to a team member from 8.00am to 6.00pm weekdays and from 10.00am to 4.00pm Saturday to discuss your situation.

We encourage you to lodge each BAS/IAS on time, even if you can't pay, so that the ATO understand how much support you need.

Payment terms can be worked out later.

The ATO look forward to working with you to get the best possible outcome during these challenging times.

If you would prefer Adams Accounting contact the ATO on your behalf to set up a payment arrangement please contact our office and we can assist you.



WHERE TO FIND US

170 Johnson Street Maffra Victoria 3860
PO Box 251 Maffra Victoria 3860
Phone: (03) 5147 1525 | Fax: (03) 5147 3211
Email: admin@adamsaccounting.com.au
www.adamsaccounting.com.au