

FAJ Top Tax Tips 2018



General

Super is now deductible for employees

Turn work at home into tax deductions

Tax implications for Uber and Airbnb hosts

These are just three points from the following detailed Top Tax Tips sheet, Francis A Jones has developed to help you get exactly what you're entitled to in your tax refund.

Because when you make all the claims you're entitled to, it all adds up. And our job is to make sure you get every cent you can.

You can make an appointment by filling out the online appointment form or phone FAJ on 9335 5211.

www.faj.com.au/taxreturns



Francis A Jones
Where people count.

FAJ General Top Tax Tips

Super is now deductible for employees From 1 July 2017 you can claim a tax deduction for your own super contributions in addition to your employer's contribution. The total amount of tax deductible contributions made by both yourself and your employer cannot exceed \$25,000p.a.

Turn work at home into tax deductions Internet, telephone and power may be tax deductible expenses if you do any work from home. Keep a diary of the hours spent and work related phone calls made over a one-month period and we can use this to calculate your claim for the year. You can also depreciate office equipment like computers, printers and electronic equipment.

Tax implications for Uber and Airbnb hosts The ATO treats Uber drivers in a similar way to taxi drivers in that they are self employed contractors carrying on a business. As such, Uber drivers are required to be registered for GST. Uber drivers will be assessed on the full fare (includes Uber's 20% commission). We can help you with your GST and income tax obligations. There are various deductible expenses to watch out for, like parking, initial police checks, sunglasses, vehicle costs, passenger comforts and phone.

Airbnb is similar to Uber in that it is also a technology based business. Any income received by the host (inclusive of the 3% Airbnb service fee) is assessable income. All commissions, fees and costs incurred in operating the Airbnb are deductible. A portion of the property expenses like rates and interest are also deductible. Be warned that this can trigger capital gains when you sell the property.

Maximise your work related deductions As a general rule, if an item of expenditure is directly related to your work you may be able to claim it as an expense. For example protective clothing, laundering uniforms, income protection insurance, union fees, tools, subscriptions and journals are all deductible.

Claim on work related education and training Costs incurred in attending seminars, conferences, workshops, training, TAFE and university studies are tax deductible as long as it relates to your work. Work related costs include course fees (some exclusions apply), books, stationery, equipment and travel.

It's not just our fees that are tax deductible Did you know that as well as being able to claim the fees paid to FAJ for preparing your tax return you can also claim the cost of travelling to FAJ and parking fees?

Use your private hospital cover to reduce your tax surcharge If you earn more than \$90,000 per year as a single person (more for couples and families), and you do not have appropriate private health insurance you will be liable to pay the Medicare Levy Surcharge. We can help you understand your tax saving from taking up private health insurance.

Maximise your travel related deductions Travelling between two jobs is tax deductible and there might be other deductible travel you don't know about. Keep track of all work travel and expenses to allow us to claim the most for your car. Ask us for a complimentary FAJ log book or use our app.

More Tax Tips page 3.



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Francis A Jones is a CPA practice

This handout contains information that is general in nature based on current taxation laws. You should not rely on this information without seeking your own independent advice.

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Ensure you get the maximum family tax benefit Not claiming Family Tax Benefit fortnightly? The good news is you may be eligible for a lump sum - but don't miss the deadline for claiming. See us for any information relating to your Family Tax Benefit claim.

Get the most out of your property investment For tips on what you can claim and what it means to negatively gear a property, please download our checklist 'FAJ Top Tax Tips for Property Investors'.

Choose the most generous parental leave option Expecting a baby? Most families are better off receiving Parental Leave Pay rather than the Newborn Upfront Payment. If you are eligible we can help you choose the payment which is best for you.

Turn charity donations into tax deductions You can claim a deduction for voluntary donations of \$2 or more made to approved organisations. Approved organisations include funds, charities or organisations registered in Australia and school building funds.

When might deductible expenditure not be beneficial to you? Did you know only a percentage of an expense is recovered? The lower your tax threshold the lesser the tax benefit. If you are below the \$18,200 tax free threshold there are no tax benefits. It is not advisable to spend money on tax deductible items just to get the tax deduction.

Tax Planning Your income can vary from year to year along with changes to tax and superannuation laws. The timing of tax deductions and deductible super contributions can have an impact on your overall wealth. We can assist with tax planning issues.

Have you traded in Cryptocurrencies?

The taxing of Cryptocurrency is a contentious issue that the ATO are paying particular attention to this year. It's important to note that trading digital currency for other digital currency, trading digital currency for foreign currency or Australian Dollars are taxing points that the ATO need to be made aware of. It's important to keep records of all transactions to help us assist you correctly account for cryptocurrency transactions.

ATO audit hot-spots The ATO are focusing on work-related clothing and laundry expenses, and general work-related expenses claimed on individual returns. They will be investigating whether clothing and laundry expenses were actually spent and not reimbursed, and were for uniform, protective or occupation-specific clothing required in your work. Conventional clothing and laundering costs are unable to be claimed even if required by your employer. Keep records to prove expenses were incurred for a work purpose.

Small business \$20,000 immediate deduction Did you know that if you qualify as a small business enterprise you can claim an immediate deduction for assets up to \$20,000 up until 30 June 2019? (subject to legislation passing) Speak to us about how you can utilise this tax break.



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