

The Informer

June 2024 New Financial Year Edition



Members of the Institute of Public Accountants



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HOURS: 9am to 5pm
Monday to Friday

Welcome...

from everyone at **Hern & Associates** to the **2024** edition of **The Informer**.

We hope you and your family are safe and well. We look forward to welcoming you to our office in the New Financial Year. We have realised that face-to-face appointments give us an opportunity to talk about what is happening in your lives and the conversation may lead to discovering other possible deductions or concessions. With the removal of the Low to Middle Income Tax Offset, any deductions can help.

If you are unable to come into the office you can email, post or drop in your Working Papers if a meeting with one of our Partners isn't convenient.

Tax News

Fees for 2024

Our fees for a Basic Tax Return* are \$253 and can be paid either by cash, credit card or EFT. Please be aware that we have not increased our fees this year.

Trust Account Payment Option

If it is estimated that you will be receiving a tax refund, you may opt to have our fee deducted from that refund. Just be aware that this will cause a delay in money reaching your account, as we are relying on the ATO to receive the Assessment, process the refund and forward it to you. You may choose to pay on the day of your appointment to expedite the refund reaching your account.

**a basic tax return does not include extra schedules required for rental properties or business schedules*

Protecting Sensitive Information

Due to increased security and privacy measures, our software will no longer print your Tax File Number on your completed Income Tax Return. Please do not fill in your Tax File Number when returning signed returns. If you need your Tax File Number at any time, please feel free to call us and we will happily give you your Tax File Number over the phone after a few simple identification questions.

For our clients completing their returns via email, we will now be sending the files with password protection using **AdobeSign**. Please check your spam/junk when checking for your returns.

New Identity Requirements required for the ATO and Tax Practitioners Board

Due to new identity requirements by the Tax Practitioners Board (TPB) and ATO, we are required to request proof of identification for new and existing clients. Please bring a photo ID with you to your appointment, if you do not have a photo ID

we can accept a birth certificate or a government concession card AND one of the following: a Medicare card, bank or utilities statement.

If we have identified you in the last financial year, you will not be required to complete the check again, until we are informed otherwise by the TPB and ATO.



Do you have a myGov Account?

Since 2015 anyone with a myGov Account that has chosen to link the Australian Taxation Office to their account will no longer receive their documentation in a paper form from Hern & Associates.

- The types of communication you will receive via your MyGov Inbox include:
- Notice of Assessments
- Statements of Account
- Confirmation and Reminder Notices
- Activity Statements or Instalment Notices (BAS & IAS)
- Requests for Information

By opting to link the ATO to your myGov Account you have agreed to receive ATO correspondence in your **myGov Inbox**, instead of a paper form being sent to your Registered Tax Agent.

If there has been correspondence sent to you from the Australian Taxation Office you will be notified by email or SMS when there is mail in your myGov Inbox to be opened. We ask that you please be diligent in checking your **myGov Inbox** for any correspondence received from the Australian Taxation Office, as Tax Agents sometimes **don't** receive a copy of these letters. If you receive correspondence that you need us to assist with, please notify us promptly.

Tax News

Have you changed your name?

Have you recently changed your name? When we are processing your Tax Return we will need one of the following identity documents issued by the Department of Births, Death & Marriages to verify your new name:

- Australian Birth Certificate
- Australian Marriage Certificate
- Australian Change of Name Certificate (Deed Poll)

This is a new identity procedure in place by the Australian Tax Office. If Name Change applies to you, please bring this document to your appointment, to ensure your Tax Return is not delayed.

Are your bank details correct?

Since 2014 the Australian Tax Office has been issuing Refunds via EFT, as they are phasing out the printing of cheques. If the incorrect bank details have been given to us when completing your return, then the payment will bounce back and a cheque will then be issued. This delays the refund process, usually taking over a month for you to receive your refund. When signing your return this year, please check your bank account details carefully so that you can receive your refund quickly and efficiently.

If you need to update your banking details, please don't email the details to us. Please phone through with the updated details so your information is secure.

Changes to the way Working-from-home deductions are claimed for 2024

The ATO has made changes to the way that Working from Home deductions can be claimed by eligible taxpayers for the 2023 income year.

If you have genuinely worked from home at any time from 1 July 2023 to 30 June 2024, you may

be eligible to use the ATO's revised fixed-rate (**67 cents per hour**) method to claim for:

- energy expenses (i.e., electricity and gas) for lighting, heating/cooling, and to run electronic items used for work or business;
- internet expenses;
- mobile and home telephone expenses; and
- stationery and computer consumables (e.g., printing paper and printer cartridges).

Under the revised fixed-rate method, a claim for the above running expenses is calculated at a fixed rate of 67 cents for each hour that you worked from home during the 2024 income year.

This is an alternative method to claiming for the above running expenses using the actual expenses method, which would require a separate claim for the work/business portion of each expense.

You will need to keep some receipts, bills or invoices of the running expenses you have incurred in order to verify your claim. You will also need to keep a record (e.g., a timesheet, diary or similar record) of the number of hours you worked from home during the year.

We have also attached a sample Working from Home diary that could be used for this purpose.

[Please click here](#)

ATO Requirements for Work-Related Car Expenses

As more Australians are making work-related car expense claims the Australian Tax Office (ATO) now require logbooks to be kept. They must be maintained for 12 continuous weeks before the end of the income year. The logbook must contain the following information:

- when the logbook period starts and ends
- the car's odometer readings at the start and end of the logbook period
- the total number of kilometres the car travelled during the logbook period

Tax News

- the number of kilometres travelled for each journey is recorded in the logbook and the reason for the journey
- the business use percentage for the logbook period.

If keeping a paper logbook is not convenient then there are many apps that can record work-related travel that use your GPS and some have travel recording systems. Some apps approved by the ATO are ATO Logbook App, DriversNote App, ERoad System and LogbookMe.

ATO is Data Matching Cryptocurrency

The ATO has increased data-matching of cryptocurrency to identify individuals who may not be meeting their registration, reporting, lodgment or payment obligations.

The cryptocurrency data-matching program will allow them to identify and address multiple taxation risks:

- Capital gains tax (CGT) – If you acquire cryptocurrency as an investment, you may have to pay tax on any capital gain you make on the disposal of the cryptocurrency. Disposal occurs when
 - selling cryptocurrency for fiat currency
 - exchanging one cryptocurrency for another
 - gifting cryptocurrency
 - trading cryptocurrency
 - using cryptocurrency to pay for goods or services
- Omitted or incorrect reporting of income – In some situations, cryptocurrency transactions can also give rise to ordinary income. Taxpayers who trade cryptocurrency or businesses that accept cryptocurrency as payment have obligations to report the income generated in their tax returns.

Please keep records of your cryptocurrency and trades to assist with completing your tax return.

Office News

Welcome, Lucy!

When you visit our office this tax season, you may be greeted by a new staff member. Lucy has joined us as our new Director of First Impressions on Tuesday and Wednesday, sharing the role with Lyndel.

Alfred Street Parking

Unfortunately, limited carparks on our stretch of Alfred Street are designated for 1 hour or permit parking for residents. There are 5 free parks available at the top end of Alfred Street near the playground and tennis courts. Alternative parks are available at the Walkerville Oval and Woolworths.

Peterborough Visit

Brian will be making his annual visit to Peterborough on Friday 23rd August

Please contact us on 8344 6011 or reception@herns.com.au to book an appointment time.

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www.facebook.com/hernandassociates

Debt to the ATO? Making Contact Before Due Dates is Better than Defaulting

If you have a tax debt and don't have all the funds to pay it, the ATO can offer a payment arrangement. The maximum payment arrangement period is 24 months and you can pay weekly, fortnightly or monthly. To enter into a payment arrangement you must agree to pay on time for every payment. If you default on a payment the arrangement will be cancelled and you may be ordered to pay the debt immediately or, in the worst case, your wages may be garnished.

If you know that you are likely to default on an upcoming payment it is better to contact us or the ATO prior to the due date. The ATO will be more lenient and may possibly change the conditions of the payment arrangement. Communication with the ATO is a lot better than silence and they will be more inclined to help.



What is PAYG and why do I have to pay it?

If your income from business or investment reaches a certain level, then the ATO requires your Income Tax to be paid in instalments. This is called the Pay As You Go (PAYG) instalment system. You are entered in to this system by the ATO if you have had a tax bill over \$1000 at your yearly assessment. It is designed so you don't have to pay your tax in one lump sum, but monthly or quarterly spread over the financial year. When you lodge your next tax return you may receive a refund or a bill for the shortfall. The ATO will send you a letter letting you know that you are now in the PAYG system and the amount of tax you will be required to pay each quarter. Each quarter you will receive a PAYG instalment notice, also known as an Income Activity Statement (IAS). This will come as a letter or via your myGov account.

Please note that if you are in a payment arrangement for one tax debt and you have an additional tax debt, they can not be combined into one payment arrangement

Instant Asset Write-Off

Parliament has now passed that the instant asset write-off threshold will be temporarily increased to \$20,000 for the 2023-24 income year.

Small businesses with an annual turnover under \$10 million, will be able to instantly deduct the entire cost of certain assets that cost less than \$20,000, which are first used between 1 July 2023 and 30 June 2024. The \$20,000 threshold applies to each asset. Parliament has not yet passed the extension to the 2024-25 income year.

Superannuation Guarantee To Increase 1st July 2024

Employers need to be aware that the superannuation guarantee is increasing to 11.5% on 1st July 2024. The legislation has stated that the superannuation guarantee will increase by 0.5% increments until 2025 when the superannuation guarantee will be 12%.

Retirees Looking for IT Support and Training

Many government and aged care services are using online platforms and apps as the preferred way of communication and business these days.

IT 4 Retirees is a local business providing tailored IT training for the over 50's, comprising face-to-face in-home sessions, remote lessons, or small group hands-on training.

We also offer telephone support and customised guides to empower you to confidently use current technology to connect with family, friends, and the community.

IT 4 Retirees have local SA trainers who can assist any clients who might be looking for IT Support to use their devices such as iPhones, iPads, tablets, laptops, desktops, printers, and Androids.

Clients with a Home Care Package or Commonwealth Home Support Program may be able to include most of the cost of training in their package. They also have costs for training bundles for self-funded training.

To learn more, please contact our admin staff at 1300 525 675 or email admin@it4retirees.com.au. You can also visit the website www.it4retirees.com.au



As previous attendees, we are happy to announce the launch of a new Global Business Camp at Crowne Plaza in Surfers Paradise on 24-26 February 2025.

This event is all about giving you the tools to launch your business to new levels of growth, profitability and success.

Global Business Camps have been running these business development camps for over 20 years and have assisted thousands of people reach their goals.

It's a great atmosphere working ON your business and networking with other like-minded small to medium-sized business people for 3 days away from the day-to-day pressures of working IN your business.

The success of previous camps has seen a large number of participants coming again, camp after camp. This allows them to reconnect with others, reinforce the skills and tools they are exposed to and bring their own clients and staff to learn how to be successful in business.

There are so many benefits, but two of the most important are: team cohesion when you bring your own staff where you can model what success looks like by showing them how other businesses conduct themselves, as well as client connection where you can spend a few days together learning how to do business better together.

You don't even have to pay the full amount just yet, as long as you REGISTER and pay a small deposit, you can pay in instalments for the balance.

[CLICK HERE to DOWNLOAD the '2025 GBC Launch' brochure for more details about this fantastic opportunity.](#)

Visit www.globalbusinesscamps.com.au or please talk to Brian or Maria about how the GBC Camp can help your business.



Companies – Changes to the way we send Annual Company Statements

Since March 2019 we have sent the Annual Company Statements to all our registered companies. We are now using a software called NowInfinity. It allows clients to sign Minutes and all ASIC forms electronically. It also allows us to send email reminders about payment of the Annual Fees so you avoid the penalties that are quickly issued by ASIC once you have passed the due date. Please make sure your email address is always up to date so you do not miss these notices.