

# L. J. HAWKINS & ASSOCIATES PTY. LTD.

*Certified Practising Accountants*

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## TAX TIME 2018

Dear Client,

The 2018 tax season has arrived and so we look forward to catching up with you and preparing your income tax return over the coming months. Again this year there have been **numerous changes**, including changes to the medical expenses offset, spouse superannuation contribution offset, rental property travel and depreciation claims and the deductibility of superannuation contributions for wage earners and new contribution limits.

The ATO proposes to do more tax audits this year, so again we remind you to make sure you keep all documentation to support your taxation deductions.

Don't forget our **website** is located at [www.ljhawkins.com.au](http://www.ljhawkins.com.au) with various tax and business related links which you may find helpful. We also have a **Facebook Page** so like and follow us there to access up to date information.

Our email addresses are as follows: [les.hawkins@bigpond.com](mailto:les.hawkins@bigpond.com) & [tracey@ljhawkins.com.au](mailto:tracey@ljhawkins.com.au) and also you may contact us via our website.

We also remind you that we provide a full service in relation to **Self Managed Superannuation Funds**, including the preparation of all financial statements and tax returns, assisting with establishment of funds and organising annual fund audits. If this area is of interest to you don't hesitate to speak to us about your requirements.

Again this tax season **Tracey Skelton CPA** will also be interviewing and completing your tax returns.

### **CHECK LIST 2018**

Please work through these items carefully **prior to making your appointment**, as it will ensure that you bring along all relevant documents required to complete this year's income tax return.

- **Income Received**
  - Employment PAYG payment summaries, ETP statements, annuity statements.
  - Bank interest received – if unsure contact your bank for the correct amount.
  - Dividends – each company usually issues **two** dividend notices annually, and we require those with the **payment dates** between 1.7.2017 and 30.6.2018. Excess imputation credits are refundable even if your taxable income is below \$18,200.
  - Managed Funds – e.g. BT, CBA, AMP, MLC, etc. We require their **Annual Tax Summary**, which is not usually issued until late August or September, therefore **please wait to make your appointment until you receive these notices.**
  - Sale of shares, managed investments or investment property. Please bring full purchase and sale documentation in order to calculate your capital gain or loss.

- Rental Property – details of income and expenses required. An annual statement from the real estate agent is very useful. If you have borrowings on the property then your interest statements are required.
- Self employed – we require full details of your income and expenses.
- Foreign source (employment and pension) income and details of any foreign tax credits.

- **Due Date**

You have until the **15<sup>th</sup> May, 2019** to lodge your 2018 income tax return, unless you were late lodging your 2017 tax return or you have been notified by the ATO of an earlier due date.

- **Expenses and Tax Offsets**

- Medical Expenses – If the net expenses relating to disability aids, attendant care and aged care only, after reimbursement from Medicare and your health fund, exceed \$2,333 or \$5,504 (depending on your income).
- Income Protection/Accident & Sickness Insurance (not Trauma or Life).
- Donations over \$2 and voluntary contributions to school building & library funds.
- Private Health Insurance Tax Offset – we require your **annual health insurance tax statement**.
- Motor Vehicle Log Book - a new log book (either paper or electronic format) must be prepared every **five years** covering a continuous twelve week period showing details of work kilometres travelled.
- Work related expenses. Receipts are required to substantiate these claims and you must retain these records for **five years**.
- Capital gains tax records e.g sale of shares or property must be kept indefinitely.

In addition to taxation services we offer a full range of business services to clients starting up their own business, and advice as to the appropriate structure to be used, e.g. sole trader, partnership, trust or company. We thank you for your past support and look forward to seeing you soon and of course, we appreciate you recommending our services to others.

Once you are ready, **with all of your paperwork**, please telephone to make an appointment.

<b>TAX RATES 2017/2018 TAXABLE INCOME</b>	<b>TAX RATE</b>
\$0 - \$18,200	0%
\$18,201 - \$37,000	19%
\$37,001 - \$87,000	32.5%
\$87,001 - \$180,000	37%
\$180,000 +	45%
<b>PLUS MEDICARE LEVY OF 2.0%</b>	

Yours faithfully,

**LES HAWKINS**

Accountant CPA