



CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND



GREENTAYLOR
PARTNERS

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Quarterly Newsletter

Green Taylor Partners



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How does the ATO treat Uber & AirBNB style services?

Karen Grainger

What are the Tax implications of providing your motor vehicle via Uber or 'sharing' a room via AirBNB?

The same basic tax issues apply to Uber income or AirBNB income as with earning your income from a different source. You should pay tax on any income you earn.

As these services are through a sharing platform, the ATO has the ability to data match money flowing through any bank accounts from these platforms.

Ride Sharing via Uber

Ride sharing is classed by the ATO as a taxi-service, therefore you need to register for GST.

Normally taxpayers do not need to register for GST until income of \$75,000 is reached. In the case of a taxi-service this threshold does not apply. A taxi-service must be registered for GST when earning \$1.

The ATO has a strict stance that ride-sharing is a taxi-service.

Any income earned from ride-sharing should be declared in your tax return but in turn any deductions incurred for providing the ride-sharing service can be claimed. GST can also be claimed on these expenses as you should be registered for GST. If the vehicle is also used for private purposes, a percentage of the deduction and GST can be claimed.

Sharing a Room or an entire house

The tax treatment for any income you earn for sharing your house via AirBNB is like any other residential rental property investment. Meaning you must include the income in your tax return but you can also claim deductions against the income. For example interest on home loan, rates, cleaning, insurance etc. But these deductions must also be proportioned between the rental use and personal use.

GST generally does not apply to residential rental income

But be aware sharing your home may affect your main residence exemption for capital gains tax when you sell your house.

Further implications can apply if you are providing short-term residential accommodation rather than longer-term rental accommodation.

We recommend before you start ride-sharing or sharing a room to discuss any tax implications with your accountant.



Do you know how to spot a scam?

Sally Hateley

We are continually seeing instances where our clients are being contacted by people claiming to be the ATO chasing a debt amount. These scammers are making contact via email, SMS or phone calls and can be very convincing.

To avoid becoming a victim the ATO have released a list of some common characteristic of these scams.

Scam communications:

- ❖ are unsolicited
- ❖ are pushy and can be intimidating, threatening arrests or penalties if payment for an unknown tax debt is not made immediately
- ❖ demand payment in full and in some instances via unconventional means such as iTunes cards, cash transfers or gift vouchers
- ❖ ask you for your personal or financial information or to confirm information they pretend they have
- ❖ are often poorly worded, containing spelling and grammatical mistakes
- ❖ may promise you a tax refund in exchange for a payment or personal information
- ❖ may contain an attachment or fake links requesting you to lodge a form – opening these attachments or links can cause you to download spyware or a virus.

If a scammer or someone claiming to be from the ATO has contacted you and you are unsure of the legitimacy, let the ATO know.

For phone scams you should:

- ❖ hang up immediately
- ❖ call our dedicated scam reporting line 1800 008 540 between 8am–6pm EST, Monday to Friday.

For email scams you should:

- ❖ refrain from clicking on links or opening attachments
- ❖ forward the email to ReportEmailFraud@ato.gov.au



GTP Birthdays

- ❖ 3rd October - Carmen Munro
- ❖ 18th October - Kayla Hawker
- ❖ 22nd October - David Hadley
- ❖ 16th November - Natasha Gardner



Medicare Levy & Medicare Levy Surcharge

Carmen Munro

We are often asked by clients why Medicare Levy is charged on their tax assessment when they have private health insurance. The very short answer is that those above the lower limit threshold will pay a Medicare Levy, however only 'high income earners' pay Medicare Levy Surcharge if they do not have private health insurance.

The Medicare Levy is paid by all Australian taxpayers at a rate of 2% of taxable income and is not affected by whether you have private health insurance. There are some exemptions and reductions that apply, most commonly available to those who have taxable income below \$20,896.

The Medicare Levy Surcharge is payable by taxpayers who have 'income for surcharge purposes' higher than the thresholds for a given year - \$90,000 for singles and \$180,000 for families. "Income for surcharge purposes" takes into consideration taxable income, as well as reportable superannuation, fringe benefits and net investment losses.

The amount of Medicare Levy Surcharge charged is determined based on income tiers, so taxpayers above the threshold will either pay 1%, 1.25% or 1.5% depending on where their income falls in the tiers.

Towards the end of the financial year there tends to be a lot of TV commercials spruiking private health insurance with tax benefits as a major focus. Consider the following before taking out health insurance.

- Private health insurance only reduces Medicare Levy Surcharge which applies at income over \$90,000 for singles and \$180,000 for families
- Medicare Levy is still payable, even with Private Health Insurance
- No tax deduction is available for the premiums paid
- If taking out purely for tax purposes, will the premiums be less than the additional tax payable?

If you are concerned about being charged Medicare Levy Surcharge, and are considering private health insurance, please feel free to contact your adviser at GTP to discuss.



The Role of an Executor of a Will

Daniel Blay

When you make a will, you appoint an executor. The role of the executor is to deal with your estate after your death. Your estate consists of any money, houses, land, cars, shares, clothes, jewellery and any other goods owned by you at the time of your death.

The role of the executor is to carry out the wishes of the deceased as specified in the Will. This is a position of great trust and must be carried out with care and honesty.

The executor performs a number of duties in relation to the deceased. These include:

- attending to funeral arrangements
 - notifying any financial institutions and other relevant organisations of the deceased's death
 - ascertaining the size of the estate and taking control of all assets
 - identifying the beneficiaries and their entitlements
 - obtaining the grant of probate or letters of administration
 - resolving all estate liabilities and disputes. This will include settlement of income tax liability. It can also include waiting for the expiration of the six-month period after the grant of probate in which family claims against the estate can be started
 - distribution to beneficiaries either by transfer of ownership or sale of assets including distribution of the proceeds
 - investing funds or managing the assets of the estate on behalf of beneficiaries;
 - keeping property held in trust for the life of beneficiaries in good repair, insured and covered for rates and taxes
 - acting impartially and in the best interests of all beneficiaries
- Executors should keep full and accurate records of how the estate has been managed and distributed and should provide a summary of the financial transactions for the estate to the beneficiaries.

A lot can happen between agreeing to be an executor and becoming one. If you wish, you can pass on the role to someone else, preferably before probate is granted. It can be a person, or a trustee organisation such as the State Trustee. If you require assistance with your Will please contact your legal advisor. Green Taylor Partners can assist you with the planning and taxation requirements of an estate.



Managing your debtors

Jess Sluggett

Offering customers and clients time to pay for their goods and services is a great way to assist them in their business, but comes at the risk of reduced cash flow for your own business. Cash is the lifeblood of a business, so managing how your customers pay you is an important part of running your business. Here are some tips to help with managing your debtors.

- ❖ Be careful who credit is offered to – put in place a credit application process including requesting permission to run a credit check. Ask for references and identification to ensure you know who you are dealing with.
- ❖ Set payment terms – look at what terms your suppliers offer you, and consider making your customer terms shorter to avoid paying for goods/services before you receive payment from your customers.
- ❖ Invoice set up – include payment terms on your invoices to send a clear message about when and how you expect to be paid. Make sure invoices include the due date, amount to be paid and how you accept account payments.
- ❖ Invoice promptly – invoices raised soon after the delivery of goods or services are more likely to be paid on time. A customer or client is more likely to pay quickly when the goods or services are fresh in their mind.
- ❖ Make contact when payments are overdue – send a statement requesting payment, telephone to discuss and if the customer or client is having cash flow problems put a payment plan in place that suits both of you. Where debts are not settled as agreed mediation, debtor finance or debt collection services may need to be considered.

If you have questions about managing your debtors feel free to contact your adviser at GTP.



GTP Anniversaries

- ❖ 18th September - Kerry Schultz (10 years)
- ❖ 29th October - Carmen Munro (8 years)
- ❖ 3rd November - Daniel Blay (8 years)
- ❖ 22nd November - Shane Bryan (6 years)



Have you changed your name?

Sally Hateley

If you have changed your name, it needs to be updated with the ATO prior to lodging your tax return. This will reduce return processing delays.

We can notify the ATO of a name change on your behalf however you will need to provide us with the correct 'identity' documents to be verified with the ATO. Alternatively if you would like to update the details yourself with the ATO by having the relevant 'identity' documents on hand and calling them on 132 861.

To update your name with the ATO you will need to provide details from at least one of the following documents:

- ❖ Australian full birth certificate – not an extract
- ❖ Australian marriage certificate – issued from Births Deaths & Marriages
- ❖ Australian change of name certificate

The ATO will check your documents with the agencies that issued them.



Important Dates

September

- ❖ 21st - Lodge and pay August 2016 monthly Activity Statements

October

- ❖ 12th – GTP Annual Movie Night (see invite for details)
- ❖ 21st – Pay annual PAYG Instalment Notice
- ❖ 21st - Lodge and pay September 2016 monthly Activity Statements
- ❖ 28th – Lodge and pay quarterly activity statements for the September quarter
- ❖ 31st – Lodgement and payment date for new Self Managed Super Funds
- ❖ 31st – Final date for lodgement of 2016 tax returns if you are not registered with a tax agent

November

- ❖ 21st - Lodge and pay October 2016 monthly Activity Statements



Changes to annual leave in some awards

Shane Bryan

The Fair Work Commission (FWC) has varied some awards with new or changed terms about taking annual leave. Most changes take effect from 29 July 2016. There are changes to rules about:

- cashing out annual leave
- taking annual leave in advance
- managing large ('excessive') annual leave balances
- payment for annual leave.

We've put together a summary of the changes below.

Cashing out annual leave

Most awards now allow employees to cash out annual leave, if they:

- have at least 4 weeks annual leave left after the cash out
- have a signed written agreement with their employer
- don't cash out more than 2 weeks each 12 months.

Find out whether cashing out is now allowed under your award and what the rules are on FairWork Ombudsman Cashing out annual leave website.

Taking annual leave in advance

Most awards now allow employees to take annual leave before they have accrued it if their employer agrees in writing. The agreement needs to:

- be signed by both the employer and the employee
- say how much annual leave is being taken in advance
- say the day the leave will start.

Managing excessive annual leave balances

The rules about what happens if an employee has accumulated an excessive annual leave balance have been changed in some awards. Excessive annual leave is when an employee has accumulated at least 8 weeks of leave (10 weeks for a shiftworker).

Direction by employer

If an employee has an excessive annual leave balance and can't agree with their employer on when to take it, the employer can:

- tell the employee, in writing, that they must take annual leave
- give the employee at least 8 weeks notice (and not more than 12 months) of when the leave will start.

There are rules about how long the period of leave has to be and how much the employee has to have left afterwards.

Notice by employee

Some awards have a new clause allowing employees with excessive annual leave balances to tell their employer that they will take a period of leave. This clause takes effect from 29 July 2017.

Until July 2017, employees who are covered by these awards and have large amounts of accrued annual leave should follow the normal process for requesting annual leave.

Payment for annual leave

Some awards say that annual leave has to be paid before the employee starts their leave. A new clause has been added to these awards. Now, if an employee is paid by electronic funds transfer (EFT), they can continue to be paid using their usual pay cycle during periods of leave.

To find out more on cashing out annual leave, taking annual leave in advance, managing excessive annual leave balance and payment of annual leave access the FairWork Ombudsman website

<https://www.fairwork.gov.au/leave/annual-leave/cashing-out-annual-leave>

ATO Fuel Rebates Changes

The ATO have updated the Fuel Rebate Rates from 1 August 2016 in line with the consumer price index (CPI).

Vehicle Type	Rate
On Road Vehicle (GVM more than 4.5 tonne)	13.7
Off Road Vehicles	39.6

The ATO also provide a Fuel tax credit calculator which helps you calculate your fuel rebate each quarter. This can be found at www.ato.gov.au

For more information of fuel rebates, contact us at Green Taylor Partners.



Have you heard about our client portal?

Sally Hateley

Green Taylor Partners are continually looking into new technologies that could assist our clients to become more effective and efficient in the operation of their business.

One of these ways is the introduction of the MYOB Client Portal which links with our systems and allows us to upload documents straight to our clients. It also allows our clients to sign their lodgement declarations electronically.

Below are a few questions that we regularly get asked about the Portal:

FAQ

How much does it cost to sign up/use the Portal? There are no additional fees or charges associated with using the MYOB Portal it was already a feature of our current software so it is just a matter of signing up to use it.

What types of documents/information can I receive electronically? Using the Portal we are able to securely upload your BAS/IAS information, Tax returns, ATO Payment slips, Financial Statements and also lodgement declarations to be signed electronically. We can also send accounts out via email and of course you can receive the newsletter on email as well. If there is something else you need us to upload for you feel free to ask we are more than happy to help.

Can I upload documents or files for my accountant?

Yes via the Portal you can upload Word documents, Excel documents, Zip files and PDF files with no issues. Most files are able to be uploaded however we have had some issues with client data files (eg Quicken/MYOB type file), if you have cloud based software this will negate the need to upload files of this type to the Portal.

What types of devices can I access the MYOB Portal from?

The MYOB Portal can be accessed from any device that has access to the internet meaning that you will have access to the information in it 24 hours a day 7 days a week.

Can I sign my lodgement declarations from my mobile phone? Yes you can use a smartphone or tablet to log into the MYOB Portal and sign off on lodgement declarations etc.

Using the MYOB Portal and email as a form of communication is much more efficient, we can send you all of this information at the touch of a button and you will receive it nearly instantly.

If you are interested in going onto the client Portal please contact the team at Green Taylor Partners to discuss. We just need your current email address and we can get you started. We look forward to hearing from you in the near future.



The Personal Side of Leadership

David Hadley

Leadership is principally concerned with key tasks and perspectives—but it also has its personal side. Neglect this personal side, and you'll soon be overwhelmed by the pressures that barrage those in leadership positions.

- ❖ Talk regularly with a confidant—for example, a spouse or trusted friend—about your chief concerns at work.
- ❖ If you don't have a mentor, get one. You should be mentored by at least one relatively senior and influential guiding light who is invested in your development and success, and whose advice you can trust without hesitation.
- ❖ Find a sanctuary, a place you can go to at regular intervals that affords you "a view from the balcony": the chance to reflect on overarching patterns and issues in your work life.
- ❖ Take advantage of professional development seminars that help you refine your leadership skills.

Remember: Delegation is not a sign of weakness. It makes you a better leader, develops the potential of your team, and helps you avoid burnout.



GTP Tid Bits

- ❖ Kerry and Grant Schultz are happy to announce they are expecting their first baby due mid-November (this means Kerry will be on leave from the end of September 2016). We wish her all the very best as they become a family of three!
- ❖ Ryan Schirmer has graduated from the University of South Australia with a Bachelor of Commerce! Congratulations on all your hard work over the last 6 years.

One screening in the big theatre!



-SULLY-

2016 CLIENT MOVIE NIGHT

Wednesday 12th October 2016

Drinks, nibbles and a movie on us! A FREE evening to thank you for your support!

5:45PM

Meet at Horsham Town Hall Foyer (enter via Pynsent Street).
71 Pynsent Street, Horsham for pre movie drinks and nibbles.

6.00pm, 6.15pm & 6.30pm

Enjoy a 15 minute guided tour of the Front of House operations of the Town Hall.
The tours will be conducted in 3 groups over the course of the evening.

7:00PM (Movie)

'Sully' Film commences (Running time 96 mins)

On January 15, 2009, the world witnessed the "Miracle on the Hudson" when Captain Sullenberger glided his disabled plane onto the frigid waters of the Hudson River, saving the lives of all 155 aboard. However, even as he was being heralded by the public and the media for his unprecedented feat of aviation skill, an investigation was unfolding that threatened to destroy his reputation and his career.



Movie Night RSVP

RSVP if you wish to attend by COB Wednesday 5th October 2016

Yes, I _____ would love to attend

Yes, I _____ would love to attend

Phone: 03 5382 4761

Email: email@greentaylor.com.au

Fax: 03 5382 1953

Postal: PO Box 637, Horsham, 3402, Victoria, Australia



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