

# Cascade Tax Time Newsletter

Welcome to the Cascade 2017 Tax Time Newsletter.

It is hard to believe it is six months since we were welcoming in 2017! We sincerely hope 2017 is being kind and rewarding to all!

In this newsletter we talk about Tax Planning, Superannuation Changes, Uber Income & Costs, ATO updates, Cloud Accounting Systems Backups & Security and How to get the most from your Accountant.



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## TAX PLANNING

### Interest & Debt

Most of us have debt. Be careful to maximise the tax deductibility of that debt. Even though personal debt might be at a lower interest rate, you are paying it from after tax dollars.

### Prepayments

Are you a SBE\* who has had a great year in 2017?

As a cash taxpayer, everything you pay for before 30th June 2017 is deductible in the 2017 income tax year.

Yes there is all the media hype about the \$20,000 immediate write off, which is great if you really need some new equipment! However, there is no point in buying unnecessary equipment just to get the tax deduction!

You can consider **prepaying expenses**, such as rent for the following year. There are strict rules around pre-payments, and their deductibility. Not only must it be otherwise deductible in the next 12 months but it also MUST relate to a period that does NOT exceed the 30th June 2018.

[Click here for a Complimentary 15 minute Consultation](#)

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#### SUPERANNUATION CHANGES

- For 2017–18 compulsory Super will remain at 9.5%
- From 1 July 2017 the maximum concessional superannuation contributions is DECREASED to \$25,000 for EVERYONE.
- FY2014, FY2015 and FY2016 Maximum Superannuation Contributions is \$35,000 for age 49+ and \$30,000 for < age 49.
- IF YOU ARE SALARY SACRIFICING, please check to ensure you aren't penalised for excess contributions in 2017–18!

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## Are YOU Paying Too Much Tax?



**We can help!**



#### UBER & RIDE SOURCING

If you drive an UBER (or Shebah etc) you are required to register for and pay GST on your GROSS earnings.

The ATO is using data matching to aggressively target this industry.

Do your maths – If you Drive an UBER for some extra income, don't ignore the tax implications!

The income from UBER goes on TOP of your other earnings.

For every \$1,000 you earn at 2016–17 tax rates:

	<b>Other Earnings \$37K to \$87K</b>	<b>Other Earnings \$87K to \$180K</b>
<b>UBER TAKINGS</b>	<b>\$1,000</b>	<b>\$1,000</b>
GST payable	\$90.91	\$90.91
UBER Fees (25%)	\$250	\$250
Est Fuel	\$200	\$200
Est Maintenance	\$50	\$50
Est Cleaning	\$50	\$50
Taxable amount	\$359.09	\$359.09
Income Tax Rate incl Medicare	34.5%	39.0%
Income Tax	\$123.89	\$140.01
<b>LEFT OVER FOR YOU</b>	<b>\$235.82</b>	<b>\$219.08</b>
<b>Percent for you!</b>	<b>23.58%</b>	<b>21.91%</b>



Tax agent  
24670985

#### ATO UPDATES

- Small Business income tax offset (unincorporated small business tax discount) can reduce your personal tax by up to \$1,000 each year.
- Company tax rate is reduced to 27.5% from 2016–17. This will assist all businesses trading as a company under the SBE threshold.

- From 1 July 2017, GST will apply to international sales of services and digital products to Australian consumers. If the supplier has turnover of over \$75,000 they will be required to register for Australian GST. This means you need to **check your invoices** from 1 July 2017 to be sure you **don't miss valuable GST input tax Credits**.
- Franking credits from SBE companies has decreased to 27.5%

**WARNING:** The ATO has announced it is targeting businesses with high amount of cash income and will be making site visits.

Some things that attract ATO Attention:

- Lifestyle not supported by after tax income
- Performance not comparable to similar businesses
- Non Compliance to ATO benchmarks for your industry

*\* SBE Small Business Entity as defined by the Australian Taxation Office. Currently these entities apply to businesses with turnover of under \$2 million, however legislation is pending to increase this threshold to \$10 million turnover effective 1 July 2017.*

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## Cloud Accounting

Q: What is the cloud?

A: It is data stored on a computer located elsewhere.

Cloud Accounting is fabulous because it give us real time access to our data almost anywhere. At Cascade we **DO** have favourite cloud accounting systems – QuickBooks Online for Accounting and Wise Owl Legal Practice Management for Law Firms!

**End of Financial Special:** Move to QuickBooks Online and receive 15 months subscription for the price of 12!

Install Wise Owl Legal Practice Management and receive a **complimentary** general accounting cutover!

[Click here for a Complimentary 15 minute Consultation](#)



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## BACKUPS & SECURITY

**BACKUPS:** Your computer data is valuable, don't wait until something goes wrong to find out just how valuable!

Your computer backups need regular testing to make sure you can restore your data.

**ANTI-VIRUS:** Be sure to keep your Anti-Virus up-to-date. Running without anti-virus or out of date anti-virus is like going on holiday and leaving your front door open for all to enter.

**Cloud Accounting Ledgers:** When we finish end of year for any clients on cloud accounting systems we run all transaction reports available from their cloud accounting systems to .pdf as an extra security measure. I would encourage all users of cloud accounting to periodically do the same.

Email links: Viruses are getting nastier and nastier. Links in emails are often linked to viruses. Don't click on an email link if you aren't 100% confident that it is legitimate.



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### How to get the most from your Accountant (and keep fees reasonable)

- Call us BEFORE entering into a major transaction;
- Record Keeping: Give them all the records they need at the beginning. Receipts for major purchases; Paper work for loans; Paperwork for Insurances; Do what you agree to do; Ask for tips on how to present your data better.
- Paying wages? Process them through your payroll system BEFORE paying from your bank! It is a great way to achieve accuracy and avoid time consuming and costly unravelling of

different amounts later.

- Things we **like** to check: You don't pay GST on money you put into your business from Private, you have claimed everything you are entitled to claim; Your tax payments are entered correctly.
- Things we **are required** to check: All data is entered correctly; Your bank account reconciles; GST claims are correct; You don't claim GST on Wages, Superannuation, GST and Stamp Duty. You don't claim GST on your private expenses; the GST on Car Registration and Insurances is accurate; The amounts on your balance sheet match the records of third parties (ie bank accounts loan accounts, Tax Man etc)
- When we send you queries, answer them in full as quickly as possible;
- The more complete you give us your information, the **less time** we need to take processing it and the **lower** your bill will be.



## Take control of your business

- Track your performance
- Monitor your Costs
- Business Systems Support
- Accounting & Tax
- Bookkeeping Service available

**cascade**  
CONSULTING SERVICES

CASCADE ACCOUNTING & TAX	T 07 3422 1333	
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