Armstrong Advisory
Chartered Accountants

2016 YEAR END TAX PLANNING CHECKLIST

EMPLOYEES	ACTION REQUIRED BEFORE 30 JUNE 2016
Equipment Purchases	Non-business taxpayers are entitled to an immediate deduction for assets that are used predominantly to produce assessable income and that cost $300 or less, subject to conditions. Purchase these and keep receipt before 30 June 2016.
Maximise Depreciation	Review your Asset Register and write off any old equipment that is no longer used.
Superannuation Contributions – Self Employed	Self-employed taxpayers are entitled to a deduction for personal superannuation contributions up to a max. limit, subject to meeting conditions such as the "10% rule". The cash has to be received in the fund as cleared funds prior to close of business on 30 June 2016 and you must submit a Notice of Intent to Claim form with your Super Fund to be allowable as a deduction. Be careful not to exceed the Contributions Cap.
Concessional Super Contributions	If you wish to take advantage of the concessionally taxed superannuation environment, you should keep track of your contributions so that they do not exceed the concessional cap. The

	concessional contributions cap for the 2015-16 financial year is $30,000 if you're under 49, and $35,000 if you're aged 49 or over. Concessional contributions include any contributions made by your employer, salary sacrificed amounts and personal contributions claimed as a tax deduction by self-employed or substantially self-employed persons.
Superannuation Contributions – Non-Concessional	Understand the new rules relating to the Non-Concessional $500K Life-time Cap and its retrospective application when considering maximising your super contributions for the 2016 financial year. Contact us for more information.
Superannuation – Salary Sacrifice Arrangements	If you have salary sacrifice superannuation arrangements, you may want to have early discussions with your employer to help ensure contributions are allocated to the correct financial year to avoid breaching the concessional contribution limit.
Superannuation – Co Contribution	An individual likely to earn less than $50,454 in the 2015-16 tax year should also consider making after-tax contributions to their superannuation to qualify for the superannuation co-contribution. The Australian Government will match after-tax contributions fifty cents for each dollar contributed up to a maximum of $500 for a person earning up to $35,454. The maximum then gradually reduces for every dollar of total income over $35,454 reducing to nil at $50,454.
Superannuation – Division 293	Individuals earning above $300,000 are subject to an additional 15% tax on concessional contributions for 2016.

	This tax needs to be considered when high income earners are making super contributions in 2016.
Home Office Expenses	A home office deduction may be allowable when part of your home has been set aside primarily or exclusively for the purpose of doing work. Some typical home office costs include heating, cooling, lighting costs, and potentially depreciation of your office equipment. To claim the deduction, you must have kept a diary of the hours that you worked from home for at least four weeks during the financial year.
Self-Education Expenses	Self-education expenses can be claimed provided your study is directly related to either maintaining or improving your current occupational skills, or it is likely to increase your income from your current employment. By contrast, if the study is designed to enable you to obtain new qualifications in a different field then the expenses incurred are not claimable. Some typical self-education expenses include course fees, textbooks, stationery, student union fees and the depreciation of assets such as computers and printers. Note: Higher Education Loan Program (HELP) repayments are not deductible. You must also disallow $250 of self-education expenses, which can include non-deductible amounts such as child care costs.
Maximise your Motor Vehicle Claim	From 1 July 2015 the 1/3rd of actual expenses and 12% of cost claims methods **can no longer be used**, and a single flat rate of 66 cents is to be used for the cents per km method. The

	Log Book method usually provides the greatest claim so it is imperative that you maintain a log book if you wish to use this method. A log book record of car trips doesn't need to be kept for the whole year. The minimum requirement is a continuous 12-week period which commences in or before the tax year.
Maximise your Travel Claim	**Travel expenses** Including public transport, motor vehicles and motor cycles, fares, accommodation, meals and incidentals. • Travel between home and work? **NO** • Where employee has no usual place of employment (eg. travelling salesperson)?**YES** • If 'on call'?**NO** • If actually working before leaving home (eg. doctor giving instructions over phone from home)? Note that this applies in limited circumstances only). **YES** • Must transport bulky equipment (e.g. builder with bulky tools)?**YES** • Travel from home (which is a place of business) to usual place of employment? **NO** • Travel from home to alternate work place (for work-related purposes) and return to normal work place (or directly home)?**YES** • Travel between normal work place and alternate place of employment (or place of business) and return (or directly home)? **YES** • Travel between two work places? **YES** • Travel in course of employment? **YES** • Travel accompanied by relative (may be allowed if relative is also performing work-related duties)?**NO**

Other Work-Related Expenses	Claiming all your work-related deduction entitlements may save considerable tax. Check whether you have all the necessary receipts or credit card statements to make claims. Some typical work-related expenses include employment-related telephone, mobile phone and internet usage, computer repairs, union fees and professional subscriptions.
Rental Properties	Landlords can claim immediate deductions for a range of expenses such as interest on investment loans, land tax, council and water rates, body corporate charges, insurance, repairs and maintenance, agent's commission, gardening, pest control, leases (preparation, registration and stamp duty), advertising for tenants, and reasonable travel to inspect properties. Landlords may be entitled to claim annual deductions for the declining value of depreciable assets (such as stoves, carpets and hot-water systems), and capital-works deductions spread over a number of years (for such structural improvements as remodelling a bathroom).

Please contact us on (02) 8416 5746 or email us at info@armstrongadvisory.com.au should you have any questions on the above or would like to discuss any of these matters relative to your personal circumstances.

DISCLAIMER

This information is presented in summary form and intended only to draw your attention to issues you should further discuss with your accountant. Please do not act on this information without further consultation.

We disclaim any responsibility for actions taken on the above without further advice as to your particular circumstances.

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