

*Well, we are not even half-way through the year and already 2020 is a year to remember – for all the wrong reasons!*

*Since I have probably overwhelmed most of you over recent weeks with information about the various Coronavirus stimulus measures, I will deliberately keep this newsletter fairly brief. . .*

#### INDIVIDUALS

##### **2019 Tax Lodgements**

If you have not yet lodged your tax return for the 2018-19 year, you will want to do so as soon as possible. Most lodgement due dates were extended until 5<sup>th</sup> June (so these will now be overdue). As a concession, the ATO has said that it will not impose any penalties as long as returns are lodged by 30 June (however, interest can still apply if you have a tax debt).

If you receive Family Tax Benefit or the Child Care Subsidy, it is **essential** that you lodge by 30 June, otherwise you could miss out on your top-ups or supplements. These payments can stop, or you could even be asked to pay back some or all of these.

If you need assistance with these lodgements, please give us a call or send your information to us as soon as you can.

##### **Tax Appointments for 2020**

If you are feeling well and are at low risk of contracting COVID-19, then you are welcome to attend the office in person if you wish. Simply call or email us for an appointment time.

If you would rather send us your information electronically, there are checklists on our website to help you make sure you provide all the required information. If you are NOT running a business, you can use the Microsoft Excel template on our website ([kmtconsulting.com.au](http://kmtconsulting.com.au) - see the “Online Submission” page).

##### **Superannuation**

Just three brief points to mention here . . .

1. The **deductible limit** for individuals remains at \$25,000 per person (but see also point no. 2). If you are considering making extra deductible contributions to your Fund before 30 June, make sure that you allow for the SGC amounts already paid by your employer. Also, you **MUST** notify your Fund of your intention to claim **AND** have

received an acknowledgement from the Fund. The ATO is now starting to amend tax returns and disallowing these deductions if the Fund has not acknowledged the notification.

2. This year (2019-20) is the first year that you can make “catch-up contributions”. If you contributed less than \$25,000 last year, you are allowed to contribute the unused balance this year.
3. **Early release of superannuation.** The COVID-19 measures allow early release for some individuals of up to \$10,000 before 30 June, and another \$10,000 before the end of September. To make application, you need to have a “MyGov” account linked with the ATO. The application is made direct to the ATO. You should not need to contact your superannuation fund.

#### BUSINESSES

##### **Single Touch Payroll (STP)**

If you are an employer with only “closely-held” employees (ie: directors, shareholders, close family members), you will be pleased to know that you have another year (until 30 June 2021) to prepare for STP.

##### **Accounting for the “JobKeeper” Subsidy**

If you have been receiving this subsidy, remember that you **MUST** pass it on in full to all of your eligible employees. This subsidy is assessable (ie: taxable) to the business, so you should include it in your records and report it as income. However, it is GST-free. Please make sure that your accounting system does NOT calculate GST on these receipts.

##### **Accounting for the “Cash Boost”**

If you are an employer and have been reporting wages and withholding tax on your BAS, you should have already received the first “cash boost” of at least \$10,000. These are credited on lodgement of the BAS for March and June. They generally reduce the amount payable on the BAS, with any excess being refunded. **Note:** This is tax-free income. Even though the ATO may offset this against the BAS liability, you should separately identify it in your accounting records and make sure that you account for the payment of GST, tax instalments, withholding tax, etc in the usual way.

#### AND THAT’S IT FOR THIS YEAR . . .

Short and (hopefully) sweet. Please give me a call if you have questions about any of the matters discussed here, or if you would like assistance with year-end tax planning.

- Tony Kernan