



# WERRIBEE ACCOUNTING SERVICE

ABN: 69 910 497 391  
Practice Update



## Appointments for 2023 Income Tax Returns

Appointments are **now** available to complete your 2023 Income Tax Returns.

We are open and available for appointments during the following hours:

Monday: 10.00AM - 5.00PM  
Tuesday: 10.00AM - 5.00PM  
Wednesday: 10.00AM - 5.00PM  
Thursday 10.00AM - 7.00PM\*  
Friday: 10.00AM - 5.00PM  
Saturday: 10.00AM - 3.00PM\*

\*please note that these times are indicative and could change.

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JUNE | 2023 | ISSUE NINE  
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### WHAT'S NEW

PAYDAY SUPER TO BE  
INTRODUCED 01 JULY 2026

SMALL BUSINESS ENERGY  
INCENTIVE

SIDE HUSTLES AND  
HOBBIES IN ATO SIGHTS

RECORD KEEPING  
OBLIGATIONS

LOW AND MIDDLE INCOME  
TAX OFFSET NOT  
AVAILABLE FOR THE  
2022/23 FINANCIAL YEAR

# “Payday super” to be introduced from 01 July 2026

It has been announced that as of 01 July 2026, “Payday Super” will require employees to pay their employers superannuation at the same time as paying salary and wages.

The Australian Taxation Office have estimated that approximately, \$3.4 billion worth of superannuation was unpaid in the 2019-20 financial year alone.

“Payday Super” has been introduced to detect unpaid superannuation payments earlier and will further the crackdown of unpaid superannuation.

Treasurers Media Release, 02 May 2023

## Small Business Energy Incentive

A new tax incentive being the small business energy incentive will be introduced between 01 July 2023 to 30 June 2024.

The incentive has been introduced to assist with small businesses (with an annual turnover less than \$50million) make investments such as electrifying their heating and cooling systems, upgrading to more efficient fridges and cooktops etc.

This incentive can provide you with an additional 20% deduction. Eligible assets or upgrades will need to be first used or installed ready for use between 01 July 2023 and 30 June 2024.

For further information regarding the small business energy incentive please email, [info@wynpower.com.au](mailto:info@wynpower.com.au)

Ref: Treasurer’s joint media release: 30 April 2023

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## Business Activity and Instalment Statement Due Dates



The due date for BAS and IAS for the quarter ended 30 June 2023 are due as follows:

Standard due date 28 July 2023

Agent due date: 25 August 2023

Lodgment dates for BAS and IAS for the financial year ended 30 June 2024 will be as follows:

Quarter 1 (1 July 2023 to 30 September 2023)  
28 October 2023

Quarter 2 (1 October 2023 to 31 December 2023)  
28 February 2024

Quarter 3 (1 January 2024 to 31 March 2024)  
28 April 2024

Quarter 4 (1 April 2024 to 30 June 2024)  
28 July 2024

# 2023 ATO Hotspots

The Australian Taxation Office (ATO) have announced that their focus this tax time will be on the following categories, rental property deductions, work-related expenses and capital gains tax.

These 3 key areas have been a priority again continue to be the focus of the ATO.

## Rental Properties

The Australian Taxation Office will be focused on interest expenses this tax time as well as expenses incurred on rental properties. If your loan was re-financed and used partly for personal use, you will need to apportion your interest expense and **only** claim the portion related to the rental property.

## Work-Related Expenses

Working from home expenses will be on the radar for the Australian Taxation Office (ATO) for the financial year ended 30 June 2023. The ATO will be ensuring that taxpayers understand the changes to the working from home expenses and are able to substantiate their claims.

## Capital Gains Tax

The ATO will be making sure that all capital gains tax (CGT) events are reported within your income tax return.

Clients are reminded that if you sell or transfer your crypto currency this is treated as a CGT event. You need to declare each trade and/or sale within your tax return as a separate CGT event.

When any asset such as shares, crypto, managed investments and/or properties are disposed this is considered as a CGT event.

While most principal places of residence are exempt from CGT, if your home was used to produce income, such as renting out part or all of your premises or running a business then CGT may apply.

We would like to also remind clients to keep **all** records relating to your investments, such as purchase paperwork, valuations throughout the years and sale paperwork. ATO website, Media Centre, 15 May 2023

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## Side Hustles and Hobbies in ATO sights

Hobbies and side hustles can be considered as business income. If you are advertising your services, earning money through continuous and repeated activities for the purpose of making a profit, it is more than likely your "side hustle" or hobby is actually considered a business.

The ATO will be ensuring all revenue is reported in your income tax return through data- matching. It is important that you disclose all sources of income during your appointment so that your tax return is prepared accurately.

ATO Website, Small Business NewsRoom, 09 May 2023 and ATO media release, 19 May 2023



## ATO ride sourcing data-matching program

The ATO will now acquire ride sourcing data to approximately 200,000 individuals to identify individuals who may be engaged in providing ride sourcing services.

The data includes:

- Identification details such as ABN's, driver identifiers, names, date of births and contact details; and
- Transaction details such as, bank account details, aggregated payment details, gross fares, net amount paid to driver

Ref: Gazette notice: commissioner of Taxation - Notice of a ride sourcing data-matching program 21 April 2023, Commonwealth Gazette C2023G00455

## **New fixed rate method introduced for the 22/2023 financial year**

Since COVID, the ATO have noticed an increase of working from home expenses, as such they have introduced a revised fixed rate for calculating working from home expenses. There are, however, some changes to this fixed rate and what it does and does not cover. Record keeping obligations have also changed for this new fixed rate, which will be covered under the Record Keeping Obligations section of this newsletter.

What is covered under the new fixed rate of .67 cents per hour:

- Energy (electricity and gas)
- Internet Usage
- Mobile and home phone usage
- Stationery and computer consumables

This means when using the fixed rate method you cannot claim an additional deduction against the above expenses as it is already accounted for in the .67 cents per hour.

What isn't included under the fixed rate of .67 cents per hour:

- Depreciation deductions for assets used from home e.g. computers, desks, office chairs etc. These will need to be claimed separately and if costing \$300.00 or more will be depreciated across the assets effective life.

## **Record Keeping Obligations**

As we are now closing into the end of another financial year we would like to remind all taxpayers, whether they are an individual taxpayer or a director of a company or a sole trader. You are required to keep substantiation documentation on all income and expenses incurred throughout the financial year. These documents must be kept for a minimum of five (5) years as at the date of your Notice of Assessment.

Below are some of the record keeping obligation criteria set out by the Australian Taxation Office. If you are unsure of your obligations, please contact this office so that we may discuss your matter with you.

## **Motor Vehicle Expenses Cents Per Kilometer Method:**

Documents required to substantiate motor vehicle travel include:

- A record of how the kilometers were worked out per car
- Copies of purchase or lease documents
- Copies of car registration
- Details of travel undertaken
- Any other evidence which confirms travelled claimed was undertaken in your car such as, a copy of your job description, employment contract or the relevant award or workplace/enterprise bargaining agreement.

## **Logbook Method:**

- copies of the purchase or lease documents for your car
- copies of the car registration certificate or papers for the income year/s you are claiming car expenses
- copies of your logbook and odometer records. The logbook must contain:
  - when the logbook period begins and ends
  - the car's odometer readings at the start and end of the logbook period
  - the total number of kilometres the car travelled during the logbook period
  - the number of kilometres travelled for each journey recorded in the logbook. You will need to record the:
    - odometer readings at the start and end of the journey
    - business kilometres travelled
    - reason for the journey o the business-use percentage for the logbook period.
    - the odometer readings at the start and end of each income year you use the logbook method
  - copies of original receipts for all car expenses claimed:
    - except for fuel and oil receipts if you have used odometer records to estimate your fuel and oil expenses including all fuel and oil receipts if you have not used odometer records to estimate your fuel and oil expenses.

## Working from Home

There are two methods of claiming working from home expenses, these are:

- Set Rate Method  
Number of hours x .67cents per hour (this precludes claiming any other home office expenses such as stationery & consumables, internet or telephone)
- Actual Cost Method  
% of home utilities, calculated by reference to the proportionate size of a dedicated office to the size of the house (however, to claim the actual cost method, you are required to have a dedicated space, such as an office within your house that is not used for any other purpose other than to undertake work)

Record Keeping Documentation Required using the revised **set rate** method are listed below:

- a record of all the hours you work from home for the entire year (e.g. a timesheet, roster, diary or similar document)
- evidence you paid for the expenses covered by the revised fixed rate method (for example, if you use your phone and electricity when you work from home, keep one bill for each of these expenses).
- You will also need records for items you claim as a separate deduction.

As of 1 July 2022 to 28 February 2023, you are required to keep a 4 week diary to substantiate your claim, however, from 01 March 2023 a record of all hours worked is required.

Australian Taxation Office, Working From Home Deduction, Tax Time 2023 pg 2.

Record Keeping Documentation Required using the **actual cost** method are listed below:

- receipts, bills or invoices which show the supplier, amount of the expense, nature of the goods, date it was paid
- the date of the document evidence of your personal and work related use of the items or services you buy and use.

Australian Taxation Office, Working From Home Deduction, Tax Time 2023 pg 2.

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## Overtime Meals

If you are claiming above your 'allowance' amounts for overtime meals, but up to the gazetted reasonable amount, it is recommended that you retain a minimum of four weeks of receipts and/or a diary over a four-week period, recording the date, type of meals purchased and the cost of **each** item purchased. If you are claiming up to your allowance amount, keep a record of venues that you frequent, and retain a menu/pricelist from that menu.

If you receive an allowance, but are claiming above the gazetted amount, you must keep receipts.

## Decline in value of assets and equipment

You will need records for depreciating assets, that show:

- when and where you buy the item and its cost when you started using the item for a work-related purpose
- how you work out your percentage of work-related use, such as a diary that shows the purpose of and use of the item for work

Australian Taxation Office, Working From Home Deduction, Tax Time 2023 pg 2.

## Telephone/Mobile Expenses

You need to provide:

- an explanation of how the internet was used for work and how you calculated your claim, including allowing for usage of other members of your household
- evidence of the total cost of the service for the year of income
  - evidence of how you established the work-related portion. This could be: ○ a diary covering a representative four-week period showing your work-related and private use of the service
  - a record of the amount of data downloaded for work as a percentage of the total

- o data downloaded by all members of your household
- o any additional costs incurred as a result of your work-related use,

## Internet

You need to provide:

- o an explanation of how the internet was used for work and how you calculated your claim, including
- o allowing for usage of other members of your household
- o evidence of the total cost of the service for the year of income
  - o evidence of how you established the work-related portion. This could be:
    - o a diary covering a representative four-week period showing your work-related and private use of the service
    - o a record of the amount of data downloaded for work as a percentage of the total data downloaded by all members of your household
    - o any additional costs incurred as a result of your work-related use,

## Small Item Claims

Small items claimed costing less than \$10 but less than \$200 in total require written evidence showing the suppliers name, the amount spent, the nature of the goods or service, the date of the expense and the date of the document. You are able to write the nature of the goods or service on the document yourself if it is missing. You may record the evidence yourself in the event you are unable to obtain written evidence and the total of the expenses does not exceed \$200.

## Purchase of Equipment and Depreciation

You need to provide:

- o an explanation for how each item relates to your employment duties
- o copies of purchase invoices or receipts for all items
- o an explanation of how you calculated the work-related portion for each item

Work-related items with a purchase price above the immediate deduction threshold of \$300 require a depreciation calculation and only the deductible portion for the relevant income year may be claimed.

## Laundry Expenses

Where laundry expenses are less than \$150.00 no receipts or records are required. However, that does not mean you should claim the \$150.00 if you did not incur the expense. If your laundry is greater than \$150.00 you are required to keep a 4 week diary outlining you washed your uniform and whether they were washed with ordinary clothing items, or separately.

**The ATO have now published occupation guidelines for what you can and cannot claim for your occupation. The link can be found below:**

[www.ato.gov.au/Tax-professionals/Prepare-and- lodge/Tax-Time/Tax-Time-Toolkits/Tax-time-toolkit-general/#Commonworkrelateddeductionsandrecordkeep](http://www.ato.gov.au/Tax-professionals/Prepare-and- lodge/Tax-Time/Tax-Time-Toolkits/Tax-time-toolkit-general/#Commonworkrelateddeductionsandrecordkeep)



## Low and middle income tax offset no longer available

As of 01 July 2022, the low and middle income tax offset is no longer available.

This could mean that your outcome of your tax refund/payable could be different this financial year.

The offset that was previously available was up to \$1,500.00, which reduced the amount of tax required to be paid.