

NEWSPAPER ARTICLE – JUNE 2003

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This article aims to raise a small number of taxation issues currently affecting business people and wage earners. More specific detail on any of the issues raised should be directed to your accountant.

Some wage earners may find that the Tax Office will ask you complete a schedule of Work Related Expenses at the time of lodging your tax return. The process is aimed at making sure you have the correct evidence and explanations to support deductions claimed in your tax return. Your tax return will take longer to complete.

Take care to keep a track of share disposals as there may be capital gains or losses to declare.

Rental property owners need to be mindful that they report capital gains or losses on the disposal of the investment properties. The difficulty is that not all disposals of property are subject to capital gains tax and you should talk to your accountant.

Business owners need to get up to speed on changes to superannuation paid for employees from 1 July 2003. The rate is still 9%, but the contributions now need to be made at least quarterly and within 28 days of the end of the quarter. A further addition to your workload, is the requirement to report the payment details to your employees within 30 days of making the payment.

GST on the trade-in value of motor vehicles is a key audit issue. The Tax Office has found that the small business community is failing to report the correct GST on the change-over of business motor vehicles.

The cash economy is always an issue for the Tax Office. For some reason they believe that certain industries are more likely to forget than others when it comes to declaring all their income. The Tax Office traditional favourites are still being audited but new areas include, barter transactions, clothing, fishing, liquor and security.

The Tax Office has commenced what it refers to as 'Walk-ins'. This involves Tax Office staff targeting industrial areas, shopping complexes, specific industries or regional areas generally. Tax Office staff may ask questions about ABNs, GST registration, BAS lodgments or wages tax (PAYG) payments. The Nambucca Valley is a nice place for a holiday – expect to see some 'Walk-ins'.

Finally, please do not get your tax advice from someone sitting on a stool at the pub. Consult an accountant.