

PERSONAL TAX RATES – 2018/19

Taxable income	Tax on this income
0 - \$18,200	Nil
\$18,201 - \$37,000	19c for each \$1 over \$18,200
\$37,001 - \$90,000	\$3,572 plus 32.5c for each \$1 over \$37,000
\$90,001 - \$180,000	\$20,797 plus 37c for each \$1 over \$90,000
\$180,001 and over	\$54,097 plus 45c for each \$1 over \$180,000

These rates do not include the Medicare Levy of 2%

NEW LOW AND MIDDLE INCOME TAX OFFSET FROM 1 JULY 2018

Australian resident individuals (and certain trustees) whose income does not exceed \$125,333 are entitled to the new low and middle income tax offset. Entitlement to the new offset is in addition to the existing Low Income Tax Offset and is available on assessment after you lodge your income tax return.

TAX TREATMENT OF CRYPTOCURRENCIES (including Bitcoin)

The term cryptocurrency is generally used to describe a digital asset in which encryption techniques are used to regulate the generation of additional units and verify transactions on the blockchain. Cryptocurrency generally operates independently of a central bank, central authority or government.

With the creation, trade and use of cryptocurrencies rapidly involving, the ATO have released their views on the taxation treatment. [You can read more here.](#)

If you are involved in acquiring or disposing of cryptocurrency, you need to be aware of the tax consequences. These vary depending on the nature of your circumstances. Everybody involved in acquiring or disposing of cryptocurrency needs to keep records in relation to their cryptocurrency transactions.

Generally, the ATO do not view cryptocurrencies as money or currency – they view it as an asset for Capital Gains Tax (CGT) purposes. If you are actively trading in cryptocurrencies, we recommend you keep detailed records of your transactions and contact us to discuss the tax consequences.

ATO TARGETING WORK RELATED DEDUCTIONS

The ATO have announced that they will be paying closer attention to work related expenses claimed in the 2017/18 tax returns. In particular, ‘standard’ claims for work-related clothing and motor vehicles claimed under the cents per kilometre method will be targeted.

As a reminder, for an amount to be claimed as a tax deduction, you must satisfy the following three rules:

1. You must have paid for it and not been reimbursed,
2. It must be directly related to earning your income and not a private expense, and
3. You must have a record to prove it.

Before completing returns for this year, we may contact you to confirm your deductions satisfy these conditions.

INTRODUCTION OF SURCHARGE ON INVOICES OVER \$500 PAID BY CREDIT CARD

From 1 July 2018, we will be introducing a surcharge on all credit card transactions of 1.5% where the invoice is greater than \$500. There will be no surcharge applied to the payment of invoices under \$500.

CHANGES FOR THE 2017/18 YEAR

RENTAL PROPERTY TRAVEL DEDUCTIONS

Rental property owners are no longer able to claim tax deductions for the cost of travelling to their property.

RENTAL PROPERTY DEPRECIATION DEDUCTIONS

Rental property owners can no longer claim depreciation of second-hand plant and equipment acquired after 7.30pm on 9 May 2017. Previously these deductions were available through a depreciation report prepared by a registered quantity surveyor. There are no changes to any existing reports where the property was purchased prior to 9 May 2017.

TAX DEDUCTIONS FOR PERSONAL SUPERANNUATION CONTRIBUTIONS

Individuals aged under 75 (including those aged 65 to 74 who meet the work test) are able to claim a tax deduction for personal superannuation contributions regardless of their employment arrangement. Previously, this was only available to individuals who were self-employed.

Your superannuation fund will provide you with confirmation that you intend to claim a tax deduction for this contribution – please include this confirmation with your tax records so we can claim the correct amount.

INCOME THRESHOLD FOR SPOUSE SUPER CONTRIBUTIONS TAX OFFSET

The income threshold for claiming the tax offset for spouse super contributions increased from \$10,800 to \$37,000. The maximum tax offset claimable is \$540.

Your superannuation fund will provide you with confirmation of this contribution – please include this confirmation with your tax records so we can claim the correct amount.

CHANGES FROM 1 JULY 2018

CHANGES TO HELP REPAYMENT THRESHOLD – CANCELLED

Previously proposed changes to the threshold at which graduates are required to repay their outstanding debts has not proceeded. These changes would have lowered the level where repayments are required from \$56,000 to \$44,999.

CHANGES TO FAMILY TAX BENEFITS

Parents receiving the Family Tax Benefit Part A could see their payments reduced if their children are not immunised. Human Services will contact affected parents.

CHANGES TO CHILD CARE SUBSIDIES

Existing subsidies will be combined into a single means and activity-tested payment. Parents must update their Centrelink details through MyGov or risk losing their payment. Under the new system, both parents must be working, studying, volunteering or searching for work for at least eight hours a fortnight to be eligible.

DOWNSIZING CONTRIBUTIONS

From 1 July 2018, if you are over the age of 65, you may be able to contribute up to \$300,000 from the sale of your family home to superannuation without impacting your superannuation caps you must have owned the property for at least 10 years and live in it as your main residence.

Important: This is not advice. Clients should not act solely on the basis of the material contained in this bulletin. Items herein are general comments only and do not constitute or convey advice per se. Also changes in legislation may occur quickly. We therefore recommend that our formal advice be sought before acting in any of the areas. This bulletin is issued as a helpful guide to clients and for their private information. Therefore it should be regarded as confidential and not be made available to any person without our prior approval.