

**May 2020**

## End of financial year review and tax planning

The 2020 financial year has been incredible. We have now seen the end of the worst drought on record and as COVID-19 restrictions are lifted, we are noticing an upward swing in business confidence.

Many businesses have experienced a difficult financial year and may not be expecting a tax liability. However, there are still some opportunities that should be considered during this time of the year:

There have been some significant changes to year-end tax planning considerations including;

- Increase of instant asset write off to \$150,000 (this will revert to \$1,000 from 1 July 2020)
- Investment allowance for new assets
- Review of JobKeeper eligibility
- Review of changes to financing policies of lenders (payment deferrals and fixed interest break costs)
- Review of subsidised government loans to farming businesses (RIC loans)
- Potential to waive lease payments to a related self-managed superannuation fund (may assist preserve cash in a business)
- Halving of minimum pension withdrawals from a superannuation fund
- Company tax rate for small business to reduce to 26% from next year (a tax payer may consider bring forward dividends to the 2020 year so they can be franked at 27.5% and not 26%).

*Remember that the cost of restocking is not a tax deduction (the deduction is claimed in the year the stock are sold). Specifically – the purchase of stock cannot be deducted against the withdrawal of FMDs.*

We have geared up our work papers and processes to help clients review the 2020 financial year and create strategies to manage their taxable income. Please get in touch if you need our assistance.

## JobKeeper Payments

### What now?

If you are registered for JobKeeper payments, all that needs to be done now is ensure you are paying your employees a minimum of \$1,500 per fortnight.

Unlike April, top up payments cannot be processed outside your normal pay run. If you are unsure of have any questions contact the office.

### Monthly reporting

As part of the JobKeeper program, a monthly declaration needs to be made to the ATO to:

- re-confirm your business and employee eligibility
- provide your business's current and projected GST turnover

We can lodge these declarations to the ATO on your behalf. These declarations must be made by 14 June 2020.

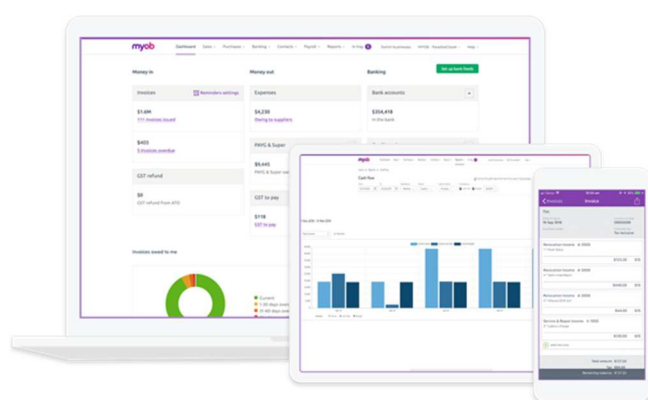


## MYOB Essentials update

MYOB Essentials has had a face lift and a significant upgrade. There are a number of changes in the new MYOB Essentials file. If you use MYOB Essentials, your file will automatically change overnight.

Some of the changes include:

- A new look dashboard with more features and business statistics
- A new shortcuts menu
- User access roles – allowing you to give other members of your business access to certain parts of your software
- Powerful payroll reporting, including:
  - More default payroll categories such as time in lieu, overtime, advance payments and more
  - Leave overuse warnings
  - Automatic ordinary hours calculation when any leave is taken
  - No more super portal! This will now be integrated within MYOB Essentials
- MYOB Essentials will be more mobile and tablet friendly
- Tab feature throughout software – no more clicking into individual boxes
- Advanced reporting – allowing you to create custom reports



## Payment summaries and Single Touch Payroll

This end of financial year, preparing payment summaries will be a little bit different for any client who uses Single Touch Payroll (STP). Instead of preparing a payment summary, you will be required to prepare and lodge a finalisation declaration. This form lets the ATO know that you have completed all your pays for the financial year and changes the status of an employee's income statement to "Tax Ready" so they can lodge their return.

Payment summaries are also now called **Income Statements**.

Preparing the finalisation declaration is slightly different for each software provider. We will be able to assist clients finalise their data in July.

The finalisation declarations need to be completed by **31 July 2020**.

## COVID-19 Measures

Martel Wheatley has a number of measures in place in order to protect both our staff and clients during these times including the following:

- If you do not wish to do a face-to-face meeting, we can arrange a phone or video conference meeting with you
- Only 3 people are to be in our reception area at any one time with markings as a reminder of social distancing guidelines
- Hand sanitiser is available on the reception desk for use on entering and exiting our office
- Staff desks and equipment are disinfected at the beginning and middle of each day and after each client visit

We ask that you do not come into the office if you are unwell or have any symptoms.

