



Monday, 25 June 2010

Dear valued client

FINANCIAL YEAR ENDING 30 JUNE 2010

Another tax year is upon us again!

Once more let us say a very big thank you to our valued clients...without your support and co-operation we would again not have made it through another busy yearwe most sincerely thank you.

There are a number of changes that have been implemented for tax agents as well as a number of things that we are required to implement for our clients this year. To that end we ask for your co-operation in attending to the administrative items that we forward to you to sign and return. As always they will be clearly marked and explained to provide you with the minimum of fuss in assisting us in our administrative processes.

We have again been able to fine tune our systems despite the fact that the addition of the extra professional accounting staff member did not work out as planned. We are back to three accountants ... Julie Hamon-Ottema, Jeslie Amory, Lucienne Nowland, however, they are the same three as we have had for the last three years so that is a plus that they are more experienced and willing to go the extra mile for all our clients.

We do have changes with the support team which now consist of Julie Rue , now in the senior Secretary/Administration role, Aimee our new Receptionist and Wen Ou one of the Accountants that is expecting a baby in July who has come back to help out floating from administration to accounting as needed. Cassie's maternity leave finished and she has moved to Karratha with her partner, while we wish her all the best we were sorry that she did not return after her maternity leave was completed. We are confident that your work will be turned around by our professional staff with the minimum of fuss again this year and we hope to improve on timing for some of the jobs that took a little longer than we had hoped.

Now down to the business end of this circular.....

When you receive this the New Year will just be starting. This is the annual "get organised" and reminder of things to do to make tax time a simple and efficient process for us all.

If you require extra **information sheets** or **tax organiser envelopes** (see next page for full details) please contact our secretarial staff by email info@jahocpa.com.au or phone 9361 1533 and one of our capable staff will be pleased to send them to you.

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Attached is your "**tax organiser envelope**" this year there are two types:

1. Orange **information sheet** attached – for individuals. Yes we know it's long it's ALL necessary to assist us in completing your return quickly and efficiently.
2. Red **information sheet** attached – for business.

PLEASE MAKE SURE YOU COMPLETE THE RED OR ORANGE FORM AND THE ORGANISER WITH YOUR DETAILS – THEY HELP US EFFICIENTLY PROCESS YOUR RETURNS.

The sheets are part of new requirements to make sure we have all your personal details correct and that we have everything necessary to complete your work in an efficient and timely manner.

Please read them carefully and respond to all the questions; they may also provide a trigger for you in case you have other questions to ask us on preparation of your return.

With ALL the information completed place the **information sheet** in the **tax organiser** so you can conveniently give us all of your records.

Other things to remember in addition to the checklists provided later:

WORK RELATED CAR USAGE DETAILS

Along with the items noted in the checklist would you copy your diary records or log book records and include in the Tax Organiser Envelope (Important reminder: log books are required every 5 years) to substantiate the business work related proportion of the claim.

SUBSTANTIATION OF EXPENSES

This year we will be asking you to sign a declaration separate to that on the income tax return; as always, where you are claiming a deduction relating to car, travel and work expenses, we both sign a declaration on the income tax return form stating that you hold the receipts or other records that substantiate the claim where the claim will be over \$300.

Please provide these receipts so that we can maintain our quality assurance procedures in the event of an Australian Taxation Office audit.

They will continue to cover claims such as:

- travel expenses
- car expenses (mentioned previously)
- uniform/protective clothing
- tool replacements
- union dues/professional association dues
- work-related self-education expenses

Where you feel you have a claim other than those listed, please send the receipts and we will assess your claim based on current legislation at the time of preparation of your returns.

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CAPITAL GAINS TAX

This continues to be a note of great importance!! If you have sold any assets during the year, we need you to provide us with:

purchase documents for the asset

receipts for any costs associated with the purchase of the asset

sale documents for the asset

If you are not sure about what we need, please send all you have received from the company during the year...every thing helps us make the right decision for your circumstances.

There is a lot to consider with the complexity of the tax laws in this area and it is not practical for us to give general guidelines; please contact us before you sell any asset to be sure you are doing the right thing for your taxation obligations. In almost all situations, your family principal residence is exempt from capital gains tax, but there are exceptions.....the sale of your home should be discussed with us before an offer and acceptance is signed as it is the offer and acceptance that dictates how and when any tax is payable on the sale.....it is not settlement date! If we are to properly consider your case, an appointment should be made with us to discuss the facts before any advice is given. Capital gains tax extends to personal use assets, like your boat, your jewellery and paintings amongst many other items as well.

SALE OF PROPERTY

Have you sold real estate, shares or other property, including any vehicle previously used for business or work related purposes? If so, we need the documentation relating to purchase cost and sale proceeds to calculate any taxable portion of the gain or loss on sale.

SELF-ASSESSMENT

As you know from previous years the Australian Taxation Office self assess all tax returns when received by them on the basis that they are 100% correct. The Australian Taxation Office do not check your returns when lodged in detail as they did in the past, they simply accept what is given to them. Any Australian Taxation Office assessing staff are now tax auditors that undertake detailed checking of your return when an audit is flagged after lodgement of your return.

As in previous years the Australian Taxation Office has announced another long list of taxpayers who will be targeted for audit in the 2010 financial year. Please remember that you can and may be called on to prove your claims at any time in the future.

We want to emphasise the information given to us for preparation of your return needs to be complete and accurate; penalties are imposed where claims are found to be incorrect, regardless of whether it is a genuine error or not and these penalties can be severe.

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EDUCATION EXPENSES TAX OFFSET

There is again this year education expenses tax offset (rebate) if you receive or were eligible to receive Family Tax Benefit Part A you may be eligible for:

1. A 50% tax offset for up to \$780 (ie \$375 per child) of eligible education expenses incurred for each child attending primary school;
2. A 50% tax offset for up to \$1,558 (ie \$779 per child) of eligible education expenses incurred for each child attending secondary school.

When sending in your records include your Family Tax Benefits statements and any receipts that you feel you may be eligible with and our staff will assess your entitlement at the time of preparing your return.

ELECTRONIC LODGEMENT

As has been the practice for some years now we continue to lodge tax returns electronically. Our experience with the Australian Taxation Office shows that refunds will issue (and assessments, if applicable) within 10 days of lodgement, however, there are circumstances where that time frame can extend to 28 days and the Australian Taxation Office will not speak with us on a refund issue until 28 days has passed.

We are now encouraging all clients with refunds due to receive these by EFT. Your bank account details are provided for on the client details sheets and you need to check and make sure we have the correct account details....as sometimes you change your account and forget to advise us then it delays your refund!

As soon as you have your records ready,

please either post them to:

PO Box 2307 in Midland WA 6936

or

Email them to info@jahocpa.com.au

or

call our secretarial staff to arrange an appointment 9361 1533.

Office hours are 8.30 am to 4.00 pm, Monday to Friday. Appointments outside these times may be arranged at a convenient time by checking with our secretarial staff.

Once again thank you for your support of the practice again in the past yearwe are truly grateful to you all!

Yours sincerely

Julie Hamon-Ottema

B.Bus (Acc) FCPA

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