

Individual Tax Cuts

For the 2017 and 2018 tax years, the top marginal rate will drop to 45% (with removal of 2% Budget Deficit Levy) for income over \$180,000 and the marginal rate of 37% will apply for income over \$87,000.

The Medicare Levy will increase to 2.5% from July 2019.

HELP Debt – Increased Repayments Rates & Lower Threshold Limits From July 2018

For the 2018 tax year, the minimum repayment threshold is \$55,874 at a tax rate of 4%.

A new minimum repayment threshold of \$42,000 at a rate of 1% will apply from July 2018.

Airbnb & Uber

If you are contemplating Airbnb, please be aware of the land tax, capital gains tax and taxable income implications of renting a room in your house.

If you are an Uber driver, please note that all income must be declared and you will need to be registered for GST.

Work-Related Deductions

The ATO have increased their audit activity in relation to personal deductions for employment related expenditure.

Please ensure:

- The expense item is actually deductible and directly relates to your employment income
- You have actually paid for the item and have a tax invoice or diary entry to substantiate the expense
- You have excluded the private/non-deductible portion

Home Office Expenses

Home office expenses may be deductible where you carry on business or employment activities at home.

Power, heating and depreciation can be claimed at a flat rate based on ATO guidelines.

A portion of interest, rent and insurances are not deductible, unless you are carrying on a business from home and the area is separate and distinguishable from private living areas.

If an office is provided by your employer, then working from home as a convenient place to do part of the work may not be sufficient to claim home office expenses.

The ATO have identified these claims as a risk area and are subjecting them to increased audit activity.

This is purely factual information and general advice. It does not constitute personalised financial, business or taxation advice. The content does not take into account your personal circumstances or objectives and you must determine whether it is appropriate to you. We recommend you make an appointment to see Charles or Matthew to obtain advice relevant to you before making any financial or taxation decisions.