



# 2011 TAX NEWSLETTER

## WHAT'S NEW?

### FLOOD LEVY

The government has introduced a temporary flood levy that will apply to income for the 2011-12 year only. Designed to assist affected communities in helping to recover from recent floods, the levy will affect individuals with a taxable income over \$50,000.

Individual tax payers with an income of between \$50,000 and \$100,000 will pay 0.5% and those with an income over \$100,000 will pay a 1% levy on the part of the income that is over \$50,000.

People on salary and wages will have the flood levy automatically included in the tax taken out of their wages by their employer.

### EDUCATION TAX REFUND

School Uniforms purchases after 1 July 2011 can be claimed in next years tax return.

Please keep records of all your school children's uniforms, hats, shoes, ties and socks from now on for next years tax return.

### YOUTH ALLOWANCE EXPENSES

Recipients of the Youth Allowance this year can claim educational expenses for computers, text books, stationery and study aids, but not HECS or HELP payments.

Unfortunately, these expenses cannot be claimed next year as the government has changed the rules in claiming this deduction.

### DONATIONS TO FLOOD RELIEF

The ATO will allow deductions for donations up to \$10 made to 'bucket appeals' for the floods without needing to keep a receipt.

If the donation is over \$10 then they will still need to keep a receipt for tax purposes.



### POINTS OF INTEREST

- Education Tax Refund has increased to a maximum of \$794 for secondary school children and \$397 for primary school children.
- We enclosed our 2011 Education Tax Refund Worksheet to help you record your education expenses and to check the eligibility of expenses.
- We enclose our 2011 Medical Expenses Worksheet if you have had more than \$2000 in out of pocket medical expenses.
- Tax Refunds should be received within 14 days this year with the new tax office computer system now working properly.
- Tax Office Audit activity has increased so keep those receipts and records.
- Visit our website for all your taxation information at [www.enright.com.au](http://www.enright.com.au)

## ATO DATA MATCHING

The ATO compares what you report on your tax return with data it receives from various organisations covering areas such as:

- Employment, Centrelink and investment income;
- Property and share

ownership and sales;

- Super, including member contribution statements and SMSF annual returns;
- Large cash transactions captured by the AUSTRAC system;
- Indicators of wealth

such as ownership of luxury motor vehicles, boats and aircraft;

- Partnership and trust income, including managed funds;
- Health insurance policies, including the level of cover.

### Business Advisory Centre

- Taxation Services
- Business Services
- Self Managed Super Funds
- Business Coaching
- Business Valuations



4/7 Moon Street  
PO Box 887  
Ballina NSW 2478

Phone: 02 6686 4744  
Fax: 02 6686 5722  
Email: admin@enright.com.au

FIND US ON THE WEB:  
[www.enright.com.au](http://www.enright.com.au)

Payment is required on date of  
interview

## OUR SERVICES

This year, new laws by the Tax Office require us to have a signed "Terms of Engagement" letter with each tax return that we prepare.

This letter confirms that you have provided us with all your income information, and that all expenses can be verified by way of receipt or other records. We have included a copy of this letter for your information which we will require to be signed at your tax interview.

Also, as your tax agent we will now be liable for penalties if a tax return includes unsubstantiated deductions or tax offsets, so please keep all records and receipts.

## FEE SCHEDULE

Taxation Service	\$ (GST inc)
FastTax Return – Basic *	110
FastTax Return - Involved	125
Individual Return interview with Greg or Amy	150
Individual Return with Basic Business Schedule	175 -250
Rental Schedule	75
Franking Credit Return	75
Education Tax Offset Return	75
Other Services including detailed business schedules	Quote

\* Basic where return has less than \$1,000 in deductions and no education or other schedules required.

## FREQUENTLY ASKED QUESTIONS

### When should I get my group certificate?

By law, your employer must issue payment summaries by 14 July.

### When do I have to do my tax return by?

By using Enrights as your tax agent, you have until May 2012 to lodge your individual tax return.

### How long will my refund take?

While the ATO generally has a turnaround of about two weeks, sometimes they can take up to 30 days to process your return.

### When do I have to pay my tax bill?

If you have a tax bill, the earli-

est you'll have to pay is 21 November, regardless of when you lodge your return. Check your Notice of Assessment for the due date, as some payments are due as late as March.

### Can I claim an expense even though I don't have a receipt?

You can claim up to a total of \$300 of work-related expenses without the need to have written receipts. Once your claim exceeds \$300 you must have receipts for the full amount.

### How long do I need to keep my receipts and tax returns for?

As a general rule, you need to keep your receipts for five years from the date the notice of assessment is sent to you.

### What is the ATO focusing on this year?

- "Occupations with a pattern of large and/or rising claims or with issues identified from ATO intelligence;
- Returns which do not fit the pattern or norm for a particular occupation across the community; and
- Returns lodged by tax agents that are significantly outside the norm for their average claim for their clients."

### Which occupations are the ATO focusing on?

This year the focus will be on engineers, mechanics and teachers.



Tip:

**While the amount of interest you earn from your bank may seem insignificant, don't forget to include it on your tax return. The ATO's computer system is so sophisticated that it knows what you've earned on your accounts and leaving interest off your return will send up a red flag to the tax office.**