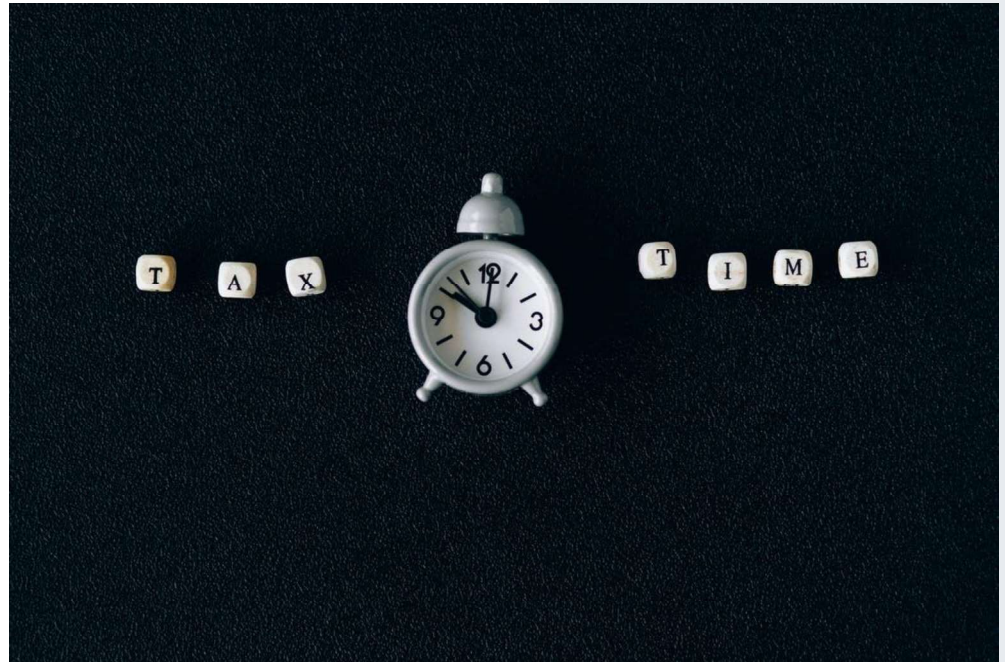


WERRIBEE ACCOUNTING SERVICE

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Practice Update

JUNE | 2021 | ISSUE TWO
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Federal Government COVID Income Support

The Federal Government have announced the introduction of COVID19 disaster payments.

Individuals who have lost income due to a lockdown lasting longer than 7 days may be eligible for a \$350 or \$500 per week payment depending on usual hours worked.

Applicants must:

1. Be over 17 years of age;
2. Be an Australian citizen, resident or visa holder;
3. Self declare lost income;
4. Live or work in a federally declared hot spot;
5. Have insufficient work entitlements (not including sick or annual leave).

Those affected can apply through Centrelink for the relevant payment.

<https://www.victorianchamber.com.au/news-media/all/2021/06/disaster-recovery-payment-for-victorian-workers>

WHAT'S NEW

CRYPTO CRACKDOWN

WORKING FROM HOME
EXPENSES

FEDERAL GOVERNMENT
COVID INCOME SUPPORT

TAX TIME 2021

Crackdown on Cryptocurrency Traders

The ATO have expressed concern over the way taxpayers believe capital gains are applied to cryptocurrency trading.

They have reiterated that capital gains on cryptocurrency is similar to the treatment of shares. When cryptocurrencies are bought, sold, traded or even exchanged for another cryptocurrency, capital gains tax ('CGT') may apply and must be declared on the tax payers income tax return.

Datamatching to see where currencies are interacting with banks, financial institutions and crypto online exchanges is being used to ensure that tax payers are accurately reporting their trading to the ATO.

A CGT discount may be available to tax payers who have held their currencies for at least 12 months.

<https://www.ato.gov.au/Media-centre/Media-releases/Cryptocurrency-under-the-microscope-this-tax-time/>



Victorian Circuit Breaker Grants



The Victoria Government have introduced a round of grants available to assist with expenses during the recent circuit breaker lockdown.

Two grants, the **Business Costs Assistance Program** and the **Licensed Hospitality Venue Fund 2021** are open until 24 June 2021.

The **Business Costs Assistance Program** offers payments of \$2,500 or \$5,000 to Victorian businesses operating in an eligible sector who have direct losses as a result of the lockdown. Businesses must have an annual payroll of up to \$10 million, be registered for GST, hold a valid ABN and be registered with a federal or State regulator.

The **Licensed Hospitality Venue Fund 2021** offers payments of \$3,500 or \$7,000 eligible liquor licensees operating a restaurant, hotel, café, pub, bar, club, or reception centre that is registered to serve food and alcohol. Applicants must also provide a Class 2 or 3 Service Sector Certificate of Registration, be registered for GST, hold a valid ABN and be registered with a federal or State regulator.

Applications can be made via the Business Victoria Webpage.

Business Victoria - Circuit Breaker Business Support Package

Tax Time 2021

The end of the financial year is fast approaching and we at Werribee Accounting Service are working diligently to prepare.

Appointments for preparation of 2021 Income Tax Returns will be open for booking from Monday 28 June 2021.

We understand this is a difficult and ever changing time and as such we offer a number of options for your appointment including face to face, Zoom and telephone consultations.

Tax Office Monitoring Work Related Expenses

The ATO have signaled that they will be closely monitoring claims for working from home expenses due to an increase in the amount of people working from home during COVID.

While the ATO is expecting an increase in these types of claims, tax payers are cautioned not to use a "cut and paste" method when claiming work related expenses. Usual claims for laundry may not be applicable where the tax payer is working from home.

Additionally, the 'shortcut' method for calculating working from home expenses has been extended for use in the 2021 tax year. This means you will be able to claim a flat 0.80c per hour rate for each hour worked at home. Alternatively, the traditional method of calculation can be used. Please discuss with us which option is most beneficial for you.

A 4 week diary of hours worked or a timesheet from your place of employment should be provided to substantiate any claims made.

Australian Taxation Office - Working from Home during COVID-19

Changes to Income Tax Rates as at 01 July 2021

In response to the COVID-19 pandemic, the Federal Government have brought forward Stage 2 of their personal income tax plan. Income tax rates for 2020-2021 are shown in the below table.*

0-\$18,200	Nil
\$18,201-\$45,000	19c for each \$1 over \$18,200
\$45,001-\$120,000	\$5,092 plus 32.5c for each \$1 over \$45,000
\$120,001-\$180,000	\$29,467 plus 37c for each \$1 over \$120,000
\$180,001 and over	\$51,667 plus 45c for each \$1 over \$180,000

*These amounts do not include the Medicare Levy

Record Keeping Obligations

We would like to remind you that receipts for deductions claimed on your tax return are legally required to be kept for a minimum of 5 years.

In the event of an audit, you may be required to produce these receipts or other proof to substantiate any claims that may be disputed or questioned.



Superannuation Guarantee Increase

From 01 July 2021 the superannuation guarantee will increase by 0.5%.

This means that employers will be required to contribute 10% of an employees earnings to their nominated superannuation account.

The super guarantee amount is set to increase by 0.5% each year until 2025 when it reaches 12%.

Please contact this office on (03) 9742 6235 if you have any concerns