

**Newsletter, January 2017****Practice Update**

Happy New Year to everyone! We hope that you all enjoyed a break over the holiday period.

Hayley and I spent a bit of time with her relatives from New Zealand (who were here for a couple of weeks to visit Elise and her cousin). They're used to it raining in summer. Elise is four months old now and has started the teething process so sleeping though the whole night has stopped (only temporarily hopefully).

It's getting close to the end of the national basketball season and the Adelaide 36ers are on the top of the table so will hopefully do well in the finals!

Motor vehicle deductions & the log book method

From 1 July 2015, the 12% of original value and one-third of actual expense methods were abolished. The only methods now available are cents per kilometre or logbook.

The cents per kilometre method allows a maximum of 5,000 business kilometres claimed per car (per individual where jointly owned) at a set rate of \$0.66 per kilometre (maximum \$3,300). You don't need any written evidence but you need to be able to show how you worked out your business kilometres.

The logbook method allows you to claim a percentage of the actual car expenses (you will need written evidence for all expenses). This includes a depreciation deduction for the decline in value of the car but there is a cost limit (currently \$57,581) where any amount above this is effectively ignored.

You complete a logbook by recording the odometer readings for every trip over a continuous period of twelve weeks. Determining whether each trip is business or private allows you to work out the business-use percentage, here are the ATO guidelines:

<https://www.ato.gov.au/Individuals/Income-and-deductions/Deductions-you-can-claim/Vehicle-and-travel-expenses/Travel-between-home-and-work-and-between-workplaces/>

Most individuals can't claim the cost of travel between home and work unless they need to use bulky tools to do their job (and only when the employer expects them to transport this equipment and there is no secure area to store the equipment at work). Light commercial vehicles designed to carry a load of 1 tonne or more and vehicles designed to carry 9 or more passengers are also generally deemed 100% business-use.

Lodgement Dates

The end of the December quarter may easily be forgotten over the holiday period so you should be aware of the following dates:

- 30 January 2017 December quarter superannuation due
- 28 February 2017 December quarter BAS due

Did you know that if your Tax Agent lodges your quarterly BAS electronically, you get a four week electronic lodgement and payment concession? This isn't available for the December BAS as the normal due date is extended by four weeks after the holiday period for everyone. Please contact me if I can be of assistance.

Kind regards,
Nick