

What's New for 2010

Welcome to Barker – Smith's Tax-Time Newsletter for the 2010 tax year. We have included information about new changes to tax legislation that might affect you. We hope it is useful to you.

As in previous years, our mobile tax team is available for appointments Monday to Thursday 9am to 8pm, Friday and Saturday 9am to 4pm. The price for an individual return is \$135. Barker-Smith Finance is also available if you need advice on any type of finance.

If you have any queries, or would like an appointment please call the office on 9301 4677. We look forward to serving you again in 2010.

Yours Faithfully



Annette Barker
Registered Tax Agent

Change to treatment of foreign income

A major change to the 2010 tax year is a change to the treatment of income earned by Australian Residents working overseas. In the past there was a tax exemption available for Australian residents working overseas for a continuous period of 91 days or more. As of 1 July 2009 (ie the 2010 financial year) this exemption has been limited to specific circumstances, mainly involving Government and Overseas Aid work. All other employment income must be included in your assessable income. You are allowed a tax credit however for any tax paid overseas, so that you are not "double taxed".

As this is a very new change, you should ensure your employer has correctly included overseas income in your payment summary if you are affected.

Work Related Deductions

For the 2010 financial year the ATO has announced that they will be specifically targeting **Engineers, Mechanics and Teachers**. According to the ATO the main areas of concern for these occupations are;

- 1) insufficient documentation for motor vehicle and travel claims,
- 2) incorrectly claiming motor vehicle expenses especially travel from home to work.
- 3) Incorrectly claiming home office, mobile phone and internet expenses where there is private use.

If you wish to claim these expenses, please ensure you have the appropriate documentation to support your

claim. Don't forget to work out the private use percentages for your claims.

Rental Properties

The tax office has identified rental properties as a key audit area, so therefore it is important to maintain accurate records. If you have an agent managing your property, don't forget to request an annual statement from them, and also phone your bank and get the total interest charged to your investment loan for the 2010 financial year.

If you're looking at purchasing a rental property, or want to check you've got the best interest rate on your home or investment mortgage, call our office for an obligation-free chat to discuss your requirements.

Having access to a large range of lenders, we can save you a trip to the bank and make sure you're getting the best deal and most importantly the correct tax structure.

Family Tax Benefit and Baby Bonus End of Year Claim

You can **no longer** claim the family tax benefit in your tax return. The benefit, including claims for current and prior years, must now be claimed as a fortnightly payment or a lump sum through the Family Assistance Office. Contact the FAO on 13 61 50. Also the Baby Bonus can no longer be claimed for the 2010 and future years.

Home Loan Health Check

Thinking about refinancing, purchasing a new home, or consolidating high-interest credit cards and personal loans? Call our office for professional advice on the right home loan for your situation.

We can assist with home and investment loans from Australia's major lenders. Best of all this service is free and we come to you day or night – no more taking time off work to visit the bank!

Tax-Deductible Insurance and Super

Many people don't realise that income protection insurance is tax-deductible, or that self-employed people can claim a tax-deduction for superannuation contributions.

Barker-Smith Financial Planning can assist with all types of personal insurance and superannuation. Please call 9301 4677 for an obligation-free discussion today.