

AUGUST, 2023

NEWSLETTER



ATO – Rental Properties 2023

This is a major annual publication by the ATO covering just about everything there is to know about owning a rental property – from a tax perspective. You can download it from the ATO [here](#).

At 52 pages long, it is quite a read.

To help those wanting a more direct path to a particular subject, we've listed links to the topics covered within the publication...

General Guidance

- owning & renting a property,
- tax and natural disasters,
- granny flat arrangements and CGT,
- is your rental property outside Australia.

Rental Income

- rental and rental-related income,
-
- co-ownership of a rental property.

Rental Expenses

- types of rental expenses,
- always check your supplier's ABN,
- expenses you cannot claim,
- deductions for vacant land,
- expenses you can claim.

Keeping Rental Property Records

Worksheet – Work Out Your Net Rental Income or Loss



Other Tax Considerations

- capital gains tax (CGT),
- general value shifting regime,
- GST,
- negative gearing,
- PAYG.

Residential Rental Property Assets

- assets (general),
- machinery,
- air conditioning & evaporative coolers.

The ATO always recommends that tax payers engage the services of a tax professional to ensure they submit correct information to the ATO.

And we agree, so please reach out to our experienced Tax Team team for your Rental Property tax advice.

Source: ATO



Four Retirement Questions to Consider

Are you planning to retire soon? Do you know all you need to know about when, where and how to retire? If you had to boil it down to four questions, these might be the ones you should be asking and answering yourself.

Location: Where do I want to retire?

You'll probably want to stay near family, friends, community, activities, healthcare and medical facilities, and consider rates, taxes (property and income taxes) and your cost of living.



Do you want to be near the beach or in the mountains? City or country? Rural or regional? No-one can answer these questions for you – it is far too subjective. But if you can tick off most of the aforementioned considerations, you’re either in or have found the ideal place to retire.

Healthcare: How will I pay for it?

You may feel as if you’re in great physical condition right now, but one issue that creeps up on many retirees is the high cost of healthcare. It can come out of nowhere, and unless you’re prepared for it financially, it can ruin your retirement.

Medicare only covers you for so much. As does private health cover – if you can afford it.

According to Government research, expenditure on those aged over 65 is around four times higher than expenditure on those under 65 and rises to between six to nine times higher for the oldest groups.

So, whatever you’re spending on healthcare now will quadruple when you’re 65 and will increase every year after that. Are you prepared for it?

Work and social: How active should I be?

So many Australians are working far later in life. In fact, one in five Australians aged over 70 are still working in some form. The benefits of working longer aren’t just financial. The social impact of working longer is just as, if not more, beneficial.

Sure, having some form of income gives you more flexibility in retirement. Saving for a holiday, being able to eat out every so often, having money for social occasions or even just being able to squirrel some away for a rainy day or emergency gives you peace of mind. One of the first big stresses in retirement is watching the money stop flowing in.

Working in some capacity allays this stress, and also keeps you involved socially, giving you a sense of purpose you’ll most likely miss if you stop working altogether. If you have enough money, you may consider volunteering or just helping out around your community.

Money: How will you plug the retirement income leak?

The answer to this question will largely depend on how you answer the first three questions. To help you gain a better insight into this question, create a range of retirement scenarios that include income, expenses, taxes, concessions, healthcare, aged care, housing, security and social life. What do you want from retirement? Are you going to be able to deal with a worst case scenario? Do you plan on *fully* retiring? Can you handle not receiving a steady income?

Source: *Your Life Choices*

Still unsure? Need to know more?

The experienced team at Accountplan has decades of experience in helping our clients plan for and transition to retirement. Start your own journey by calling for an appointment on 07 3883 8999.

Government Grants for Home Buyers

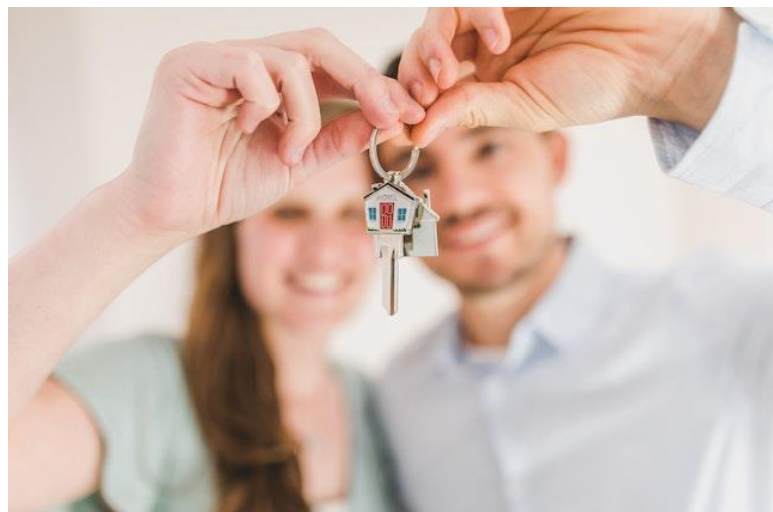
There are a number of great programs designed to assist people into home ownership. Some of these are covered below...

First Home Owner Grant (FHOG)

The FHOG, a QLD State Government initiative which gives eligible first-time home buyers \$15,000 towards buying or building a new home in Queensland.

It does not apply to established homes, to be eligible for the FHOG QLD, you need to buy a brand new home or build a home from scratch. The value of your first home including the land, must be below \$750,000.

Recent changes mean New Zealand citizens may be able to apply depending on the status of their residency in Australia.



As with all such offerings, there are a few rules to be eligible for the FHOG in QLD:

- You need to be a natural person (not a company or trust) aged 18 years or older,
- You must be an Australian citizen or permanent resident (or applying with someone who is),
- You or your spouse must not have previously received a FHOG in Australia,
- You must not have previously owned property in Australia that you lived in,
- You may still be eligible for the FHOG in Queensland if you have owned an investment property as long as you haven't lived in it.

In addition, you'll need to live in your first home for at least six months within a year of becoming the owner.

To apply, speak to your Bank or Mortgage Broker as they usually make this a part of your application for finance.

First Home & Home (Stamp Duty) Concession

Another QLD State Government initiative whereby you can claim a concession for transfer duty when you meet certain requirements.

The first home concession only applies to a home valued under \$550,000 and can save you up to \$15,925. The home concession may still apply for a home valued over \$550,000.

You do not have to be an Australian citizen or permanent resident to claim a concession, but you must meet the eligibility criteria.

To be eligible for a first home concession when you buy or acquire a home, you must:

- be legally acquiring the property as an individual,
- have never claimed the first home vacant land concession,
- have never held an interest in another residence anywhere in Australia or overseas,
- be at least 18 years of age,
- move into it with your personal belongings and live there on a daily basis within 1 year of settlement (this time cannot be extended),
- not dispose (sell, transfer, lease or otherwise grant exclusive possession) of all or part of the property before you move in,
- be paying market value if the residence is valued between \$500,001 and \$549,999.



Companies are not eligible to claim a concession, except when they are acting as a corporate trustee.

Below are some calculation examples:

Home Value	Duty Payable	Calculation
\$450,000	\$0	No duty payable because the value of the residence is under \$500,000.
\$530,000	\$6,300	The home concession reduces the duty to \$9,800. As the first home is valued between \$530,000 and \$534,999.99, a further concession of \$3,500 applies.
\$600,000	\$12,850	Only the home concession applies because the value of the residence is over \$550,000.

Your solicitor or conveyancer will help you claim this as part of your purchase.

Government Home Guarantee Scheme (HGS)

The HGS is an Australian Federal Government initiative to support eligible home buyers to buy a home sooner. The Scheme includes three types of Guarantees:

- First Home Guarantee (FHBG),
- Regional First Home Buyer Guarantee (RFHBG),
- Family Home Guarantee (FHG).

The table **on the following page** compares key aspects of the guarantees.

There are 33 Australian lenders participating in the HGS.

Want to better understand your options? Accountplan's Mick Doyle has over 30 years' experience in the finance industry, call to arrange an obligation free meeting on 07 3883 8999.

Source: Mick Doyle, Accountplan Finance Solutions

Criteria	First Home Buyer Guarantee (FHBG)	Regional First Home Buyer Guarantee (FHBG)	Family Home Guarantee (FHG)
Places FY2023 - 2024	35,000 places	10,000 places	5,000 places
Minimum Deposit	5%	5%	2%
Prior property ownership	First home buyers or previous homeowners who haven't owned a property in Australia in the past 10 years		Single parents or single legal guardians who do not currently own a property or do not intend to own a separate property when they settle on the home
Eligibility	Australian citizens or permanent residents		
	Individual and joint applicants	Individual and joint applicants Must have lived in the regional area or adjacent regional area they are purchasing in for the preceding 12-month period to the date they execute the home loan agreement. Employees who have been required to relocate for work may be exempt from this requirement	Single parent or single legal guardian of at least one dependent
Purchase location	All Australia	<u>Regional</u> areas only	All Australia
Property price caps (QLD)	\$700K for Brisbane, Gold Coast & Sunshine Coast. \$550K for the rest of QLD		

Our Extended Hours During Tax Season 2023

From Saturday 15th July 2023 through till Saturday 2nd of September 2023 we will be offering extended hours during Tax Season as follows:

Mondays	8:30am to 5:00pm
Tuesdays	8:30am to 7:00pm
Wednesdays	8:30am to 7:00pm
Thursdays	8:30am to 5:00pm
Fridays	8:30am to 5:00pm
Saturdays	9:00am to 1:00pm

We will extend the additional hours should there be a demand for same.

Outside of physical appointments, provision of documents and your information to our team for completion of work can be done in a variety of ways:

- emailed directly us using reception@accountplan.com.au,
- tax clients can use our secure online Client Portal – talk to your accountant to register for same,
- mailed to us at PO Box 516 Margate QLD 4019,
- dropped into our secure drop box located at the front of our building (it can even cater for large A3 envelopes),
- or dropped into our reception.

Should you have any queries on any of the above drop us a line at reception@accountplan.com.au or call us on 07 3883 8999.

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