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2026 Tax Returns

It is that time of the year again where we start to look at preparing your 2026 Income Tax Return. There are a couple of points to note here:

1. Booking your appointment

We are now taking bookings to prepare your 2026 tax returns. Please contact reception to arrange a suitable time.

We recommend booking after 20th July so that all of your information filters through the ATO systems

If you have managed funds, ETFs etc – this information will not be available until September/October

We are again offering a variety of ways of interacting with us – Face to Face, Phone and email appointments.

2. ATO Data Matching

As in prior years, although we can access much of your income details from the ATO, we do encourage you to bring your own information to verify what we can see.

Please note the ATO is data matching rental properties, so it is important this is recorded correctly.

3. Deductions

The ATO does not provide us with any of your deductions, so please make sure you come prepared with a list of these for us to consider for your tax return

It is important that you have evidence of payment in the case of audit

Should you have a rental property, or a business, please bring along a summarised version of your income and expenses, as this will speed up the process.

4. PAYG Income Tax Instalments

As in prior years, the ATO may require you to pay instalments should you have business or investment income over \$4,000 per year.

This will be communicated primarily through your 'my gov' account, so please be aware of this. Should we become aware of you being part of this system we will of course notify you.

5. Other points to note:

- from the 1st July 2025, you are now unable to claim ATO interest as an expense for tax.
- Car Allowance – there has been no announcement on any increase to the cents per kilometer allowance, despite the increased cost of running your vehicle.
- Work From Home Allowance – there has been no announcement of any increase, despite the increases in the running costs of your home. Please note - you MUST keep a diary – saying you work 8 hours a day, 5 days a week is not sufficient, if you are subject to an ATO audit.
- Price Increase – We have tried to absorb any increased costs over the past 3 years, however with the increased compliance burden we now face, along with increasing costs, unfortunately we must increase our fees. Our standard tax return cost will increase by \$10, to \$170 + GST.

Payments of expenses before the 30 June

Some benefits can be received by paying tax deductible payments before the 30 June. These may include...

- a. Car/vehicle expenses, such as servicing, tyres, rego & insurance, etc where your vehicle is used for work purposes.
- b. Pre-paying memberships and subscriptions which may fall due in July.
- c. Replacing computers, printers, tools, and other items which would be tax deductible.
- d. Undertaking repairs to equipment, rental properties, etc.
- e. Selling poorly performing shares at a loss to offset against capital gains made on the sale of other shares.
- f. Investing in term deposits etc which will not fall due until the next financial year, so income is deferred for a year.
- g. Any other planning which either brings forward the tax deductible expense from the next year into this year, or deferring income from this year to the next year.

Superannuation

Concessional Contribution caps

For the 2026 Financial year, the concessional contribution cap remains at \$30,000. For the 2027 financial year, this increases to \$32,500.

These types of contributions include employer super guarantee, salary sacrifice contributions and personal contributions claimed as a tax deduction.

Subject to certain conditions, you may also be able to access certain contribution concessions if you have not used your full limit in prior years.

If you intend on claiming a tax deduction, please ensure you have the notice of intent to claim from your super fund. Please speak to your accountant if you need further information in relation to these types of contributions.

Non-Concessional contribution caps

For the 2026 Financial year, the non-concessional contribution cap remains at \$120,000. For the 2027 financial year, this increases to \$130,000.

These are after tax contributions and eligibility requirements may apply – please speak to your accountant if you need further information in relation to these types of contributions.

Division 296 – new superannuation legislations

This introduces an additional tax on certain superannuation earnings where an individual has a total superannuation balance exceeding \$3 million.

It applies from 1 July 2026 and imposes an additional 15% tax on earnings relating to balances between \$3million and \$10million.

This tax will be assessed personally to the individual rather than to the superannuation fund, however individuals will be able to elect to have the liability paid from the superannuation fund.

Please contact us if you need further information on this change.

Legislative Changes

Short Term Property Rental/Holiday Homes

The ATO has recently restricted its view on the deductibility of some expenses for short term stay/holiday homes. The latest view is that all rental income must be declared, however it will deny deductions relating to the holding costs of the property (such as interest, rates and insurance) unless certain conditions are met. These primarily relate to the availability for rental of the property, especially over peak times.

Should you have a property that falls into this category, please contact us so we can discuss in more detail.

Anti-money Laundering & Counter Terrorist Funding (AML/CTF)

Anti-money Laundering and Counter Terrorist funding legislation now requires us to ask further questions and maintain our ID information for clients. This increased compliance relates to “designated Services” – these are mostly relating to ASIC related services, or setting up new entities.

There is increased scrutiny on record keeping – please understand that we may have to reach out to you regarding Trust and company documentation that we may need to keep on file.

What does this actually mean? All Accounting firms, Financial Planners, Real Estate Agents, etc. must now be registered with AUSTRAC, and report to them if we detect anything suspicious with client transactions. For existing clients, many of you will not notice any difference, and for those that are affected, we will attempt to make the process as painless as possible.

Director Penalties Notices (DPN)

DPN's are a formal notice issued by the ATO that makes company directors personally liable for certain unpaid company tax obligations, including PAYG Withholding, GST and Superannuation.

Under the DPN regime, directors have a legal responsibility to ensure the company meets its taxation reporting and payment obligations on time.

Failure to comply may result in the ATO issue a DPN to the company director. These fines can be steep, and can be difficult to reverse.

There is increased activity around director penalties for companies and Trusts that are not meeting the ATO deadlines for submission and payment, so please make sure you are keeping your dealings with the ATO up to date.

Pay Day Super

From the 1st July 2026, employers must pay any superannuation into your complying super fund within 7 days of the date of pay of any wage paid.

What does that mean for you ?


If you are an employee, then you will notice payments being made into your super fund on the same frequency that you are being paid. This money will immediately be used in your super fund to earn a return, so in theory you should be better off in the long term. Other than making sure your employer has the correct and up-to-date superannuation details, you do not need to do anything.

As an employer, you must make the payment to your employees super fund within 7 days of the date you pay their wages, noting that each super fund must also process the payment in that time. Basically, you need to make the payment at the same time as you pay the employee's wages! Please investigate now the process your payroll software has for making these payments. Many software providers are offering a clearing house option as part of their software that should speed up the processing time. Please also be aware of the cash flow implications for making the regular payments, rather than at the end of the quarter. Also consider making the June quarter payment before 30 June this year so you get the full tax deduction in this financial year.


2026 Federal Budget

Like many people we have been following the 2026 Federal Budget announcements with interest. There have been several major changes announced to the Australian Tax system, with most of them effective from 1st July 2027. Unfortunately most of these are simply that – announcements. Until all measures are passed through both houses of parliament, they are not finalised, and subject to change. After the legislation is passed, the ATO, in particular, will need to issue advisory notices on how some of the more complicated measures will operate in practice. Unfortunately, this means we have to wait until a clearer picture of the changes emerge before options for the future can be decided. We will continue to follow the developments, and will advise you of the major changes when there is more concrete information available.

Happy New Financial Year
Peter & The Team

 07 3376 3411

 www.peterprice.com.au

 15 Loffs Road
PO Box 465
Mount Ommaney QLD 4074