

D.R. TIGHE & COMPANY PTY LTD

A.B.N: 88 007 082 331

ACCOUNTANTS & TAX AGENTS

ANNUAL NEWSLETTER - 2014 INCOME TAX RETURN

Yes it is that time of year again! We have prepared a checklist of information required to prepare your 2014 Income Tax Return. **Please review the checklist and forward your paperwork to our office.**

INDIVIDUAL TAX RATES - 2014 YEAR

Taxable Income	Tax
1 – \$18,200	Nil
\$18,201 – 37,000	Nil plus 19 cents for each \$1 over \$18,200
37,001 – 80,000	\$3,572 + 32.5 cents for each \$1 over \$37,000
80,001 – 180,000	\$17,547 + 37 cents for each \$1 over \$80,000
Over 180,000	\$54,547 + 45 cents for each \$1 over \$180,000

MEDICARE LEVY – Has increase from 1.5% to 2%

If your taxable income is equal to or less than your lower threshold amount, you do not have to pay the Medicare Levy. If your taxable income is greater than your lower threshold and less than or equal to your upper threshold amounts, you pay only part of the Medicare levy. If your taxable income is over your upper threshold, you pay the full Medicare Levy.

	Lower Threshold	Upper Threshold
Eligible for Seniors and Pensioners Tax Offset (SAPTO)	\$32,279	\$37,975
All other tax payers	\$20,542	\$24,167

MEDICARE LEVY SURCHARGE & PRIVATE HEALTH INSURANCE REBATE

	Income Tier 1	Income Tier 2	Income Tier 3	Income Tier 4
Singles - Income	\$88,000 or less	\$88,001 - \$102,000	\$102,001 - \$136,000	\$136,001 or more
Families – Income	\$176,000 or less	\$176,001 - \$204,000	\$204,001 - \$272,000	\$272,001 or more
Surcharge Rates	0%	1.0%	1.25%	1.50%
Rebate % - For individuals that have not already received a reduced premium:				
Aged Under 65	29.04%	19.36%	9.68%	0%
Aged 65-69	33.88%	24.20%	14.52%	0%
Aged 70 or over	38.72%	29.04%	19.36%	0%

MEDICAL REBATE

Where net medical, hospital, chemist, dental, etc, expenses exceed the amounts outlined below, the excess is allowed as a rebate. Note: The medical rebate will be phased out. Individuals that did not claim the medical rebate in 2013 will not be able to claim the rebate in 2014. Individuals that do not claim the medical rebate in 2014 will not be able to claim it in 2015.

Taxpayer's status	Adjusted Taxable Income for Rebates	Eligible net medical expenses	Rate of Offset
Single	\$0 - \$88,000	\$2,162 or less	0%
		Exceeding 2,162	20%
	\$88,000 +	\$5100 or less	0%
		Exceeding \$5,100	10%
Family	\$0 - \$176,000	\$2,162 or less	0%
		Exceeding 2,162	20%
	\$176,000 +	\$5100 or less	0%
		Exceeding \$5,000	10%

Whether you expect a refund or expect to pay, it is equally important that you provide us with all the relevant information as soon as possible.

Please call us to make your appointment, or post/email the necessary information to us and we will telephone you to deal with any matters that require clarification.

Telephone: Melbourne (03) 9521 9588 or Sorrento (03) 5984 4499

P.O. Box 79 Sandringham VIC, 3191.

Email: 2014@drtighe.com.au

Our Fees for 2014 for the preparation of a basic Income Tax Return are \$140 plus GST

GOVERNMENT SUPERANNUATION CO-CONTRIBUTION

If you have an income of less than \$33,516 you will be eligible for a Government Co-Contribution of up to \$500 at 50 cents in every dollar you contribute (i.e. If you contribute \$1,000, your superfund receives a \$500 tax-free contribution from the government). If your income is between \$33,516 and \$48,516 you must reduce the \$1,000 by 3.33 cents for every dollar you are over \$33,516.

MATURE AGE WORKER TAX OFFSET

This tax offset can be claimed by a person, who is born on or before 30th of June 1956. The Mature Age Worker Tax Offset will no longer be available after 1 July 2014.

Net Income from working	Tax offset amount
\$0 - \$10,000	5% of net income from working
\$10,001 – 53,000	\$500
\$53,001 - \$62,999	\$500 reduced by 5% for each dollar of working income above \$53,000
\$63,000 +	Nil

SENIORS & PENSIONERS AUSTRALIANS TAX OFFSET ('SAPTO')

From 1st of July, 2012 the Pensioner tax offset and the Senior Australian tax offset have been merged. Therefore, from the 2014 financial year, the Pensioner tax offset will no longer be available, and all individuals previously eligible for the Pensioner tax offset will generally be eligible for the new SAPTO.

The rebate income thresholds are:

Family Situation	Maximum Offset	Shade-out Threshold	Cut-out Threshold
Single, separated or widowed	\$ 2,230.00	\$ 32,279.00	\$ 50,119.00
Each member of a couple (married or de facto) who lived together the entire year	\$ 1,602.00	\$ 28,974.00	\$ 41,790.00
Each member of a couple (married or de facto) who had to live apart due to illness or because one was in a nursing home.	\$ 2,040.00	\$ 31,279.00	\$ 47,599.00

DEPENDANT SPOUSE / CONTRIBUTIONS TO SUPERANNUATION FOR SPOUSE TAX OFFSETS

For the 2014 tax year you can generally only claim a spouse tax offset if your spouse was born before 1 July 1952 and had an Adjusted Taxable Income less than \$ 10,166

You may be able to claim an 18% tax offset on super contributions of up to \$3,000 you make on behalf of your non-working or low-income-earning spouse.

ELECTRONIC LODGEMENT SYSTEM

Your 2014 Income Tax Return will be lodged electronically, meaning faster refunds. The Australian Taxation Office claim that 80% of assessments will be issued within 14 days when lodged electronically. We cannot guarantee this however.

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