

NTAA Income Tax BASICS 2010 Seminar

This seminar will give your staff the confidence and knowledge to master the all important client interview!

Day 1

The Fundamentals of Preparing an "I" Return

- Income
- Capital Gains Tax
- Business Income
- Deductions
- Foreign Income
- Rental Properties
- Medicare Levy & Tax Offsets
- And Much, Much more....

Day 2

From the Financials to the Business Return

- The Small Business Entity Rules
- Income
- Expenses
- The Tax Reconciliation Process
- The Calculation Statement
- CGT for Small Business
- Trusts and Partnerships
- And Much, Much more . . .

WHO SHOULD ATTEND?

Two tax seminars run over two consecutive days for:

- ✓ Graduates;
- ✓ New employees;
- ✓ Accountants new to public practice;
- ✓ Practitioners wanting to "brush up" on their basics; and
- ✓ Accountants returning to the workforce.

Presented by
Rebecca Morgan and Rod Wilson
on behalf of the National Tax & Accountants' Association Ltd.



Income Tax Basics 2010

An NTAA Back to Basics Seminar

"get your hands dirty, learn how to do tax from the bootstraps up"

LET US HELP YOU TRAIN YOUR (NEW?) STAFF

Mastering the all important client interview at tax time can be really tough! We all understand those first interview jitters. We've been there!

Graduates, new staff and others entering (or re-entering) Public Practice need a lot of help to get up to speed.

We all know what it really means to:

- sit opposite a client,
- extract the right information, and
- get the return correct without having to go back to the client.

This seminar will give your staff the confidence and knowledge to get the job done **RIGHT THE FIRST TIME!**

This is a no pie in the sky, theoretical "What is income" seminar.

This is a "get your hands dirty, learn how to do tax from the bootstraps up" seminar.

Whether you need your graduates brought up to speed or, maybe, someone needs a refresher – these are practical workshops centred on understanding the basics of the "I" Return and the ins and outs of the Business Return.

That's right, we help train your graduates and new staff into becoming **profitable** and valuable members of your practice.

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NTAA Client Interview Kit

Everything you need to know when interviewing a client:

- ▶ Comprehensive client questionnaires
 - What are the essential questions that must be asked?
 - How do you get ALL the right information?
- ▶ How to conduct an interview
- ▶ Dealing with the common occupations (e.g., trades people, sales assistants, truck drivers and many more)



Day 1

The Fundamentals of Preparing a 2010 "I" Return

TOTAL INCOME or LOSS

- Including:
- Salary and wages
 - Employer ETPs
 - Lump sum payments from a super fund

DEDUCTIONS

- Including:
- Car expenses
 - Overseas and domestic travel
 - Clothing
 - Self-education
 - Interest and dividend expenses

TAX OFFSETS

- Including:
- SATO
 - Spouse
 - Medical expenses
 - Superannuation
 - Mature age workers

BUSINESS INCOME & EXPENSES

- Including:
- Trading stock
 - Depreciation
 - Motor vehicle expenses

RENTAL PROPERTIES

- Including:
- Rental income
 - Repairs
 - Capital allowances

WHO SHOULD COME, and WHY?

It's an intensive, hands-on workshop for:

- ✓ Graduates
- ✓ New employees
- ✓ Accountants/bookkeepers new to public practice
- ✓ Practitioners wanting to "brush up" on their basics
- ✓ Accountants returning to the workforce

WHAT DO ATTENDEES RECEIVE?

- ◆ An electronic **DESKTOP Reference Kit** (on CD) with:
 - Checklists of deductions by OCCUPATION
 - Precedent elections/declarations
 - Rates and tables
 - Handy calculators
- ◆ **Course Notes and Instructions**
 - Comprehensive notes walk you through the return with explanations of each return label
 - How to conduct a client interview
 - How to gather the right information
 - Client questionnaires
 - Things to look out for
 - Getting the return **RIGHT** with backup material

Topics covered in this intensive hands-on workshop

Income

Most clients have several different sources of income – do you know the twists and turns for every kind of income?

- ▶ Salary and wages
- ▶ Allowances
- ▶ Reportable fringe benefits
- ▶ ETPs
- ▶ Partnership and trust income
- ▶ Personal services income
- ▶ Superannuation pensions

Capital Gains Tax

We will explain all of the CGT basics necessary to complete the "I" return and the CGT schedule.

- ▶ Calculating the net capital gain
- ▶ A basic guide to the CGT method statement
- ▶ CGT & real estate
- ▶ Dealing with distributions of capital gains from trusts
- ▶ When can a taxpayer claim the main residence exemption?
- ▶ Can overseas capital losses be offset against Australian gains?

Business Income

A practical perspective!

- ▶ How to determine if a taxpayer is carrying on a business
- ▶ How to complete the business schedule
- ▶ Non-commercial losses, including the NEW rules affecting wealthy individuals
- ▶ Depreciation options for small business
- ▶ Dealing with trading stock

Deductions

We'll show you what can be claimed, by occupation, and we set out all of the substantiation requirements.

- ▶ Claiming car expenses under one of the four methods
- ▶ Overseas and domestic travel
- ▶ Protective and corporate clothing
- ▶ Dry cleaning expenses
- ▶ Self education expenses
- ▶ Interest and dividend expenses
- ▶ Superannuation contribution deductions
- ▶ Depreciation deductions
- ▶ Gifts and donations
- ▶ Home office expenses
- ▶ Overtime meal expenses
- ▶ Sunglasses and sunscreens
- ▶ Tax agent fees
- ▶ What are the record-keeping requirements?

Yes, we cover everything from Item D1 to Item D17 on the individual return

Foreign Income

How is foreign income treated on the "I" return?

- ▶ Dealing with foreign losses – no more quarantining!
- ▶ Claiming an offset for foreign tax paid
- ▶ Dealing with foreign income/expenses
- ▶ Dealing with overseas employment income, including the NEW exemption rules
- ▶ Claiming overseas deductions against Australian income

Rental Properties

It's crucial to get all rental income and deductions right on the "I" return because this is a major ATO audit target!

- ▶ A practical guide to completing the rental property schedule
- ▶ Dangers with renting out holiday homes
- ▶ Claiming interest deductions
- ▶ Which rental assets are eligible for depreciation?
- ▶ What is a repair and when is it tax deductible?
- ▶ Claiming travel expenses in relation to a rental property
- ▶ When are body corporate fees tax deductible?
- ▶ Using the main residence exemption to avoid CGT on a rental property
- ▶ Can travel to inspect a property for purchase be added to the cost base?

Medicare Levy & Tax Offsets

Private health insurance or the medicare levy surcharge? A practical perspective!

- ▶ What are the recent changes to the private health insurance rebate?
- ▶ When is the surcharge payable?
- ▶ What labels must be prepared on the individual return?
- ▶ A total rundown on tax offsets, including:
 - ▶ Dealing with the dependant tax rebate and ongoing baby bonus claims
 - ▶ The Entrepreneurs tax offset

Comprehensive Case Study: Preparing the "I" Return

The day will conclude with a comprehensive case study, showing the complete process of completing an "I" return from meeting with and collecting information from the client, to finalising the preparation of the Return.

Day 2

From the Financials to the Business Return

Calculation of total profit or loss

ABC RETAILING PTY LTD PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 30 JUNE 2010	\$	\$
Total Sales		850,000
Less Cost of Goods Sold:		
Opening stock	100,000	
Purchases	994,500	
Less closing stock	125,000	
Gross Profit:		280,500
Other Income:		
Dividends received	4,200	
Profit on sale of shares	23,000	
Total Income		307,700
Less Expenses:		
Accounting fees	7,500	
Advertising	14,000	
Bad debts & doubtful debts	1,200	
Bank charges	5,200	
Borrowing costs	300	
Depreciation	13,400	
Donations	200	
Entertainment	2,600	
FBT	1,200	
Fines & penalties	400	
Heat, light & power	4,900	
Insurance	4,100	
Interest paid	12,800	
Legal costs	4,900	
Motor vehicle running expenses	13,100	
Printing, postage & stationery	5,900	
Provision for holiday pay & sick leave	9,700	
Rates & taxes	5,500	
Repairs & maintenance	2,900	
Salaries and wages	119,800	
Superannuation		
Telephone		
Travel		
Work		

ABC RETAILING PTY LTD BALANCE SHEET AS AT 30 JUNE 2010	\$	\$
Share capital		5,000
Retained profits		195,000
Total Shareholders Equity		200,000
Cash		100
Trade debtors		125,000
Stock on hand		125,000
Total Current Assets		158,000
Office furniture, equipment & motor vehicles – at cost	60,000	
Land & buildings	205,000	
Total Non-Current Assets		265,000
Total Assets		423,000
Bank overdraft		107,000
Trade creditors & accruals		29,000

From the Financials to the Business Return

This is not about how to prepare a set of accounts! This is vital information your staff need to know – how to complete the business return starting with the financial accounts.

From extensive worked examples and comprehensive case studies, attendees will:

- ✓ Learn how to complete a business tax return, starting with the Profit and Loss Statement;
- ✓ Learn to look beyond the Profit and Loss Statement for deductions;
- ✓ Learn the tax reconciliation process from the financial accounts to the tax return;
- ✓ Learn why you need to reconcile Balance Sheet adjustments; and
- ✓ Learn about the ins and outs of trust & partnership distributions.

ATTENDEES WILL RECEIVE

- ◆ Practical worked examples
- ◆ Extensive case studies
- ◆ Up-to-date rates & tables
- ◆ Enough information to get the return right, the FIRST time!!

Topics covered in this comprehensive practical workshop

The Small Business Entity (SBE) rules

We provide a plain english explanation of the SBE rules and address the following issues:

- ▶ Who qualifies as an SBE?
- ▶ How is the business return completed for an SBE taxpayer?
- ▶ A hands-on guide to the differences between SBE and non-SBE taxpayers
- ▶ When can an SBE access the CGT small business concessions?
- ▶ A practical guide to **all** the concessions and benefits for SBEs
- ▶ Applying the prepayment rules for SBEs
- ▶ How do the trading stock concessions work for SBEs?

Income

What's in? What's out? Getting assessable income right is the first step to avoiding an ATO audit.

- ▶ How to correctly deal with employer ETBs and lump sums from a super fund
- ▶ How to correctly gross-up franked dividends
- ▶ How to treat employee contributions for fringe benefits
- ▶ A comprehensive guide to which business proceeds are taxable
- ▶ When are government grants taxable?
- ▶ How to treat distributions received from partnerships and trusts

Expenses

We will work through the Profit & Loss to calculate business deductions and consider the tax treatment of important items, including:

- ▶ Bad debts – when is being 'bad' good enough for a tax deduction?
- ▶ Depreciation – dealing with balancing adjustments
- ▶ Provisions for LSL and annual leave
- ▶ Making trading stock adjustments
- ▶ Dealing with adjustments for fines and penalties
- ▶ When is interest deductible?
- ▶ Motor vehicle expenses
- ▶ When can accrued salary and directors bonuses be claimed as a tax deduction?
- ▶ Overseas and domestic travel
- ▶ Repairs and maintenance
- ▶ Meal entertainment expenditure
- ▶ Borrowing expenses
- ▶ Superannuation contributions

The Tax Reconciliation Process

We walk through the process of reconciling accounting net profit to taxable income. We show you how to use the profit and loss statement to identify reconciling items.

Calculation Statement

We work through the calculation of the total tax payable or refundable.

CGT for Small Business

We walk you through the rules applying for the small business CGT concessions and show you the mechanics of how to reduce a capital gain.

- ▶ Who can claim the CGT concessions?
- ▶ Which assets are eligible for the small business concessions?
- ▶ Claiming the concessions in a company or trust
- ▶ Using the concessions to pay no CGT!
- ▶ What are the procedures for claiming the concessions?
- ▶ How do taxpayers elect for the concessions to apply?
- ▶ What labels are prepared on the tax return?

Trusts and Partnerships

Unlike a company, trusts and partnerships generally distribute their income to others who pay tax on their share of income.

- ▶ How do you calculate trust income?
- ▶ Completing the distribution statement on a trust and partnership return
- ▶ What happens when a trust distributes to a non-resident beneficiary?
- ▶ How to calculate the net income of a partnership
- ▶ Can a partner's salary create a loss?
- ▶ How are capital gains treated in a partnership?

Comprehensive Case Study: Preparing the Business Return

The day will include a comprehensive case study, showing the process of completing the Business return from information contained in the financial accounts of a company.

Cost and Registration Income Tax Basics Seminars 2010

Registration: Between 8.00am and 9.00am

Duration: 9.00am to 5.00pm

Cost: including comprehensive notes, tea and coffee on arrival, lunch, morning and afternoon tea

Members of the NTAA

■ Each delegate per day: **\$363** (incl. GST)

Non-Members of the NTAA

■ Each delegate per day*: **\$473** (incl. GST)

Note(): Registration includes 3 months full membership*

Presenters Rebecca Morgan

Rebecca is a Taxation Consultant with the NTAA and has over nine years tax experience. Rebecca holds a Bachelor of Arts and Law and a Masters of Taxation.

Rebecca has presented a number of the Back to Basics Seminar series and is also a regular presenter on Tax on the Couch.

Before joining the NTAA, Rebecca worked for the Australian Taxation Office as a Manager of Aggressive Tax Planning and also managed a number of general audit projects.



Rod Wilson

Rod has a Bachelor of Business (Accounting) degree.

He has over 20 years experience in the field of tax, predominantly with the Australian Taxation Office and the last three years with the NTAA.

He has extensive practical knowledge in the areas of FBT, CGT and GST as well as other tax reform measures.



Vegetarian Meals

Vegetarian meals are available as an option at no extra cost. If you prefer a vegetarian meal, simply tick the box under the delegate name on the registration form.

Cancellations or Transfers

It's necessary to charge a fee (see below) when confirmed bookings are cancelled. However, a substitute participant will be accepted. If a substitute is not nominated, a cancellation fee of \$88 will be applied.

Cancellations

More than 5 full working days before the seminar:

◆ cancellations incur an \$88 administration fee.

Within 5 working days of the seminar:

◆ no refunds will be available for cancellations, although a full set of notes will be provided.

Transfers

More than 2 full working days before the seminar:

◆ a credit for the amount charged may be transferred to any other NTAA seminar without incurring the \$88 administration fee.

Within 2 working days:

◆ transfers incur an \$88 administration fee.

The NTAA reserves the right to cancel or reschedule courses, change speakers or revise content as necessary.

Confirmation of Booking

Bookings will be confirmed via fax or mail – please include your fax number for a speedy reply.

Please Note: You must ensure that you receive written confirmation of your booking, otherwise you may not be booked into the seminar and may have to provide credit card details at registration. If you do not receive confirmation by fax **within 48 hours** of faxing your order or 72 hours of mailing it, contact us.

Privacy Act

We understand that some individuals prefer not to receive unsolicited brochures or promotional material.

If you do not wish to be sent any further promotional material please tick the "Do not mail me any more" box below and return the brochure in the original envelope writing Return to Sender (RTS) on the front and leaving the barcode legible.

We will remove your name from the mailing list or advise the list provider within a reasonable time.

Please "Do not mail me any more"

Special offer to Non-Members

Please call and discuss the \$100 (approx) per day seminar discounts which are available to members of the NTAA for a low annual fee of only \$295, which includes a 12 month subscription to the monthly newsletter *Voice*, 3 FREE 10 minute telephone calls to our tax advisers plus discounts on most NTAA products.

CPD/CPE Hours

The seminar allows for 6.5 CPD/CPE hours per day.

Register online at
www.ntaa.com.au



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Income Tax Basics 2010 Registration Form



Seminar Dates and Venues

No. of Delegates

This document will be a **tax invoice** for GST when fully completed and you make payment to National Tax & Accountants' Association Ltd.
NTAA's ABN: 76 057 551 854

NTAA Membership No. _____

Firm _____

Address _____

State _____ Postcode _____

Telephone No. () _____

Facsimile No. () _____

Day 1 Delegate 1 _____

Date of attendance _____

Please tick to have a vegetarian meal

Day 1 Delegate 2 _____

Date of attendance _____

Please tick to have a vegetarian meal

Day 2 Delegate 1 _____

Date of attendance _____

Please tick to have a vegetarian meal

Day 2 Delegate 2 _____

Date of attendance _____

Please tick to have a vegetarian meal

(Please print first name and last name)

Note: Please photocopy where more than two delegates.

No. of seminar attendees _____

Total (incl. GST) \$ _____

Send cheque or provide credit card details

Mastercard Visa Amex

Card No. _____

Expiry Date _____

Name on Card _____

Signature _____

Please retain this original document as your **tax invoice**

Sydney

SMC Conference & Function Centre

66 Goulburn St, Sydney

Day 1: 11 March 2010 (Thur) _____

Day 2: 12 March 2010 (Fri) _____

Parramatta

The Sebel Parramatta

350 Church St, Parramatta

Day 1: 22 March 2010 (Mon) _____

Day 2: 23 March 2010 (Tues) _____

Melbourne

Caulfield Racecourse

Gate 2 Station Street, Caulfield

Day 1: 25 March 2010 (Thur) _____

Day 2: 26 March 2010 (Fri) _____

Brisbane

Mercure Brisbane

85-87 North Quay, Brisbane

Day 1: 15 March 2010 (Mon) _____

Day 2: 16 March 2010 (Tues) _____

Perth

Rendezvous Observation City Hotel

The Esplanade, Scarborough Beach

Day 1: 04 March 2010 (Thur) _____

Day 2: 05 March 2010 (Fri) _____

Adelaide

Hilton Adelaide

233 Victoria Square, Adelaide

Day 1: 01 March 2010 (Mon) _____

Day 2: 02 March 2010 (Tues) _____




Canberra

Hyatt Hotel Canberra

Commonwealth Avenue, Yarralumla

Day 1: 29 March 2010 (Mon) _____

Day 2: 30 March 2010 (Tues) _____

		
Fax credit card details to: NTAA on 1300 306 351	Post to: NTAA 29 Palmerston Cres Sth Melbourne VIC 3205	If you have any other queries please call (03) 9209-9999