

Lao Pollock & Co

Certified Practising Accountants
Registered Tax Agents



LAO POLLOCK & CO

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OUR SERVICES:

**Specialists' in Taxation
Advice and Compliance**

**Accounting
Administration
Information Technology**

Lao Pollock & Co is a CPA
Practice.

Registered Tax Agent

Our firm specialises in the provision of quality taxation compliance and advice services to individuals and small business. Most of our clients engage our firm in compliance work (preparation of tax returns), and we also take instruction from clients and professionals (eg. solicitors, trustees and executors) in providing opinion relating to more complex tax matters.

We also engage in accounting and administration services for clients.

TAX MATTERS - NEWSLETTER

*Thank you for taking the time to read our Tax Practice Newsletter.
Please feel free to hand our Newsletter to a friend, relative or associate.*

"HOT TOPICS"

TAX SCAMS

Over the past twelve months a number of our clients have contacted us, notably upset after receiving telephone calls from persons purporting to be from the Australian Taxation Office demanding outstanding tax debts to be paid immediately, otherwise legal action will be taken. The telephone calls and in some cases, a message left for the client to call back, are random and unsolicited and part of well organised **TAX SCAMS**. The Australian Competition & Consumer Commission (ACCC) is **warning** Australians to steer clear of tax scams, after more than \$1 million has been reported lost to their "Scamwatch" already in 2016, with over 300 people reporting they lost money to tax scams in the first half of 2016. The scams often use personal information found online and ask for payment of "unpaid debts". Scam phone calls often look like they come from local phone numbers, but use voice over internet protocol phone numbers to disguise the fact they are calling from an overseas call centre. **Our advice to clients is to immediately hang up on the caller!**

For clarification on this issue, please contact us.

DID YOU KNOW?

You could be putting your head on "The Block"!

A number of current television "do it yourself" home renovation shows or home improvement magazines may motivate us to try our hand at renovating a property or set about improving our asset to make a gain. The taxation office provides guidelines on this issue and has established 3 broad categories of "taxpayer types" to determine the tax outcome, based on matters of fact. For example, if a taxpayer sold their rental property without improvement or repaired to original condition, a capital gains event would occur, if the intention was to generate rental income from the property. This taxpayer is classed a "property investor". If a taxpayer "sets about the business of being a renovator" or "undertaking a profit making activity" as distinct from a "property investor" **then the profit may be taxed as ordinary income and not under the capital gains tax provisions.**

DID YOU KNOW, "undertaking a profit making activity" can apply to "one off" substantial home renovations to your own home, if the intent was to make a profit!

For clarification on this issue, please contact us.

PRACTICE MATTERS

Client referrals

We always greatly value your support, so please do not hesitate in mentioning either Catherine or Carl to your friends who may be seeking assistance with a tax matter.

CONTACT

Please call Catherine Pollock or Carl Lao on 9633 9220 for assistance with your tax matters.

Disclaimer

Liability limited by a scheme approved under Professional Standards Legislation.
The content of this newsletter is general tax advice only and not specific personal advice.