



Don't Panic!

The radio stations will soon start threatening doom and gloom if you don't lodge your tax return by 31st October, 2019!!!

Tax agents are provided with a lodgement program so they can lodge tax returns for most of the year and retain quality staff. It is not a matter of making sure you have lodged by the 31st October, 2019 but at least touch base with your Accountant by then. Here is what you need to do, depending on your circumstances.

Lodged Late Last Year:

Be alarmed if you lodged your 2018 tax return late. Despite your Accountant's lodgement program you will be required to lodge your 2019 tax return by 31st October 2019 as a punishment for late lodgement of your 2018. If this applies to you ring your tax agent now! Yes, you can panic a little bit. Your tax agent should be able to apply to the ATO for an extension past 31st October 2019 but only if they undertake that you have given them the necessary information to complete the 2019 tax return. Further, the ATO will not advise us of whether this application is successful until 3 weeks after we apply.

Changing Tax Agents:

If you have decided to use a different tax agent to lodge your 2019 income tax return you need to be in touch with the new one before 16th December, 2019 to transfer to their lodgement program. If you don't there is a risk that your previous agent will drop you from their lodgement program and you will revert to 31st October 2019 lodgement because you do not have a tax agent. Again, we can plead your case after 16th December, 2019 but this is extra work you will be charged for and an unnecessary risk.

First Time Using a Tax Agent:

You need to be on a tax agent's lodgement program before 31st October, 2019.

Same Old Same Old:

If you are continuing with your existing tax agent and lodged your 2018 tax return on time then you should be safe for a few months yet. But please don't leave it until the deadline of mid May 2020 because if everyone else does that we will have no chance of getting all the returns in on time. Technically to rely on our lodgement program you should have your paperwork to us before 16th December 2019.

Work Flow:

This of course brings us to another issue. Timeliness of finalising your tax return. There are times in the year, July – August, end of October and mid December when the bulk of our year's work arrives in our office. A few weeks turn around during these peak times is unrealistic. Doesn't mean you are not loved. Good Accountants need to work all year and

offer full time employment to their staff. A successful Accounting practice will, in December gaze into their crystal ball and predict all staff fluctuations and clients likely to return and carefully plan the next 6 months to keep everyone employed but it is not an exact science.

Accountants are in an unusual position that they need to keep their staff working all year to keep quality staff. Yet just about everyone is ready to get their tax return done in the first couple of months of the financial year. Someone has to be last and it is not necessarily because they are not important. In fact, it may well be the opposite. Of lower priority are clients who are not likely to get a refund, unlikely to want to refinance loans and have a good understanding of their affairs. It may well be a sign of status, stability and competency that your return is left till the end of the lodgement year. People desperate for their refunds and squeaky wheels are usually given priority, out of compassion not because the Accountant doesn't care about their other clients. If you have a reason you need to jump the queue make sure you give as much notice as you can.

Accountants are penalised by the ATO if they have too many late lodgements so it is actually in their interest to remove you from their lodgement program if you have not got your work to them in time. Of course, most of us don't do that to our clients and wear the consequences but it is important to note that you need to be in communication with your tax agent.