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PAYG instalment reduction

The Federal Government announced on 28 March 2009 further Cashflow relief for small businesses, self funded retirees and small superannuation funds.

Quarterly PAYG instalments for the 2009-10 income year will now be calculated using an up-

ward adjustment of 2% instead of 9%.

This should ensure that PAYG instalments more closely approximate the tax payers' actual liability for the year based on an expected CPI growth of 2% for the 2009-10 year.

Delivery of tax bonus

The ATO has advised that delivery of the tax bonus is being progressively made around Australia. Taxpayers in the same household could possibly receive the payment at different times.

Eligible Taxpayers who have lodged their 2008 tax returns should receive the bonus payment by 15 May.



Tax Returns Lodged after 15 June 2009 are unlikely to receive payment until August as processing will be suspended at 15 June, resuming late July, due to ATO system shutdown to prepare for tax time.

Tax planning - investigate before investing:

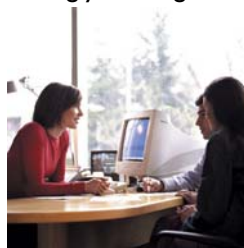
WARNING!

protect yourself against promoters marketing dodgy tax schemes

Tax planning is legitimate when you do it within the letter and spirit of the law.

As the financial year is drawing to an end you should be alert to those advisers and promoters marketing **dodgy tax schemes**—ones that are not within the spirit of

the law and sometimes not even within the law. If you invest in a dodgy tax scheme, you are risking your original



investment plus you could have to pay back any missing tax with interest and penalties long after the promoter and your money are gone.

It can often be difficult to tell if you are getting sound advice. So if you are in doubt get a second

opinion.

The fact sheet "*Tax planning—investigate before investing*" is also available to download from the ATO website www.ato.gov.au.

Check information and warnings about scams at www.scamwatch.gov.au

Car Expenses Rates

Engine capacity non-rotary (CC)	Rate per km (cents)
0—1,600	63
1,601—2,600	74
2,601 +	75

The cents per km method can only be used for the first 5,000 business kilometers travelled.



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Super Contribution Reminder: Make payments before 30 June 2009

To be eligible for a tax deduction for self-employed or employer super contributions, the **contributions must be received by the super fund prior to 30 June 2009.**

This also applies to personal non deductible contributions made which may be eligible for the government co contributions (up to \$1,500 per

annum).

Employer Super Guarantee contributions for June 09 quarter must be made by 28 July 2009 to avoid the non deductible superannuation guarantee charge.

Topping up super contributions, when self-employed or employed in a family business, can be an effective tax planning

strategy to reduce overall tax.



YEAR END TAX TIPS

Sales & work in progress

- Consider the deferral of sales until next financial year



Realisation of assets

- Consider deferring the disposal of an asset that would result in an assessable capital gain
- Bring forward any planned purchase of plant & equipment to be used in your business, costing greater than \$1,000, to before 30th June 2009 to take advantage of "50% tax break"

Trading Stock – Valuation

- Ensure any obsolete or unsaleable stock is written off before 30th June 2009
- Do a full stocktake by 30th June 2009 to determine the true value of stock on hand

Superannuation Contributions

- Ensure superannuation contributions are paid by year-end and meet any required conditions as is the case with deductions claimed by self employed taxpayers

Asset Schedule

- Check to see if there are any depreciating assets which have stopped being used in the business in which case a balancing deduction may be available in respect to their adjustable value.

Expenditure

- Ensure all supplier bills are paid by 30th June 2009 to enable full deduction

Prepayments

- Consider prepaying interest on business loans (12 months in advance maximum allowed)
- Consider prepaying rent or other fixed outgoings ((12 months in advance maximum allowed)

Bad Debts

- Check whether any debts can be written off as bad debts before 30th June 2009



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