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Autumn 2008

Hi Everyone,

This year's tax deadline of **15 May 2008** is fast approaching. To try to avoid the last minute rush, please provide us your tax information ASAP. We hope you enjoy the read! As usual, don't hesitate to call us to discuss anything. Best wishes to you from all the team at GLR.

Transition to Retirement

If you are 55 or over and still working you can access a super pension. By accessing the pension and salary sacrificing part of your salary you can save significantly on tax. Please contact us for more details.

Estate Planning

What happens to your business and assets if you die? It is important to be prepared. Here are some of the issues to consider.

- **Wills** – Make sure you have an up to date Will, which covers what you want to happen (especially the business) and be clear about it. Don't leave any ambiguous wording that the family will have to argue over.
- **Superannuation** – Make sure you have signed a Nominated Beneficiaries Form, so it is clear as to who the super is left for. Otherwise, it will just form part of your Estate.
- **Life Insurance** – Make sure it is sufficient to cover all the debts left that the assets won't. You don't want to leave a financial problem as well for the family at a time like this.

With our new Financial Planning business specialising in Superannuation & Life Insurance, please call us to make an appointment to discuss your needs.

Check Super Statements

Please be aware to check your six monthly statements from your superfund to make sure they show the correct amount contributed for the period. We have had a number of clients who noticed incorrect contributions reported by their fund.

Home/Commercial Loans

We can now provide you with an experienced Accredited Loans Specialist. He provides a great service and can get you the best deal on loans from a wide selection of lenders. He will take a lot of the hassle out of the process because he knows what he is doing. New loans or refinancing are all catered for. So if you're in the market for a loan, please call us.



LODGING TAX RETURNS

Please bring in your information ASAP if you have not lodged your 2007 and prior tax returns.

Rental Property Refinancing

A common question we get from clients is, "Can we increase the claimable loan on a current rental property to raise funds to buy, say a new private house?" Unfortunately, this is not allowed by the ATO.

The test is "the purpose to which the funds are put".

If you use the funds to buy shares or another rental property, this is OK. But if the funds are used for any private purpose, then this is not claimable. The best you can do is make the rental property loan interest only, while you pay off the private loan as quick as possible.

Renting Private Home

If you decide to rent out what was your private home, and make it a rental property, it may be important to get a **valuation** done at that time for capital gains calculations later on when you sell it. Especially if:

- a) You buy another principal place of residence, **OR**
- b) You rent it for longer than 6 years.

If you only rent it while you are overseas on a posting that is less than 6 years, then this does not affect you.

Capital Gains Tax (CGT)

What tax rate is CGT? This is a common question.

Answer: Depends! Capital gains are added on top of your other income. The good news is, only 50% is taxable if the asset was held for 12 months or more. With large capital gains on rental property now common, beware of the tax slug if you decide to sell. It may be worth a call to discuss first. One option can be, to sell in a year that you have a lower income. E.g. on retirement. For CGT, the date of sale is the date of exchange not settlement.

Beware of Email Scams

There are a number going around including an ATO one. So never provide credit card or bank details in a reply to a request online. A lot do look very official. If in doubt, call the institution.

Salary Packaging Cars & Finance

Still a great way to save tax and get that new car. However, it can now be even better. With the increase in the tax bracket for the top rate to \$150,000, the irony is, that the benefit of salary packaging is reduced. But, if you can also do the Employee Contribution Method (ECM), the benefits are restored.

We can now also arrange the finance and possibly a fleet buying discount of up to 10%!

For more details, please contact us.



Salary Packaging in General

Still a very tax effective way to buy a new car, laptop, mobile phone or contribute to super. If your employer offers this and you are not already taking advantage, we strongly recommend you consider it. **For those working in FBT exempt entities such as Hospitals or Non Profit Associations, it is tax free or reduced.** So, if interested, call us for advice and we can show you how much you can save.

More FBT Items

The ATO has expanded the list of items exempt from FBT. The traditional laptop now also includes:

- portable printers & PDA's
- built in modems and fax cards,
- pre loaded and business software

RECEIVING NEWSLETTER BY EMAIL

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