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Hi Everyone,

This year's tax deadline of **15 May 2009** 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.

Kevin's Stimulus Package

You will get this (if entitled), after your 2008 tax return is lodged. It just needs to be lodged by 30 June 2009. Payments will commence during April.

Bonus to working Australians with **taxable incomes** for 2007/08:

- o Less than \$80,000 = \$900 Bonus
- o Between \$80,001 / \$90,000 = \$600 Bonus
- o Between \$90,001 / \$100,000 = \$250 Bonus

An extra \$900 Bonus to single income families getting the FTB part B, and \$950 Back to School Bonus for families that received Family Tax Benefit Part A before the 3 February 2009. Note you will still be able to claim 50% Education Tax Refund in the **2008/9** tax return.

A \$950 Bonus to Farmers and Small Business Owners who receive Exceptional Circumstances payments.

Economic Security Strategy

The government has decided to assemble a \$10.4 Billion Economic Security Strategy for the future. Five elements will include;

1. \$4.8 billion to down payments for long term pensioners.
2. \$3.9 billion in support for low and middle income families.
3. \$1.5 billion investment to help first home buyers.
4. \$187 million to create 56,000 new training places
5. Also an acceleration in the government's nation building agenda.

Medicare Surcharge – 1%

From **2008/9** tax year, the new limits will be \$70,000 for an individual (was \$50,000) and \$140,000 for a couple (was \$100,000). This means that if your adjusted taxable incomes (which includes RFBA) are over these limits **and** you do not have Private Health Insurance, then you will be hit an additional 1% surcharge on top of your 1.5% Medicare Levy you already pay.

Coles/Wesfamers

If you had Coles shares, they were bought out during last tax year by Wesfamers. So when you prepare your tax return for 2007/8, please bring in your Coles purchase cost information **and** the Wesfamers forms.

Allocated Pensions cut 50%

In their wisdom, the Government has reduced the minimum pension amount for the 2008/9 year to 50% of what it was. So the 4% minimum is now 2% etc. This is good news for many, who were reluctant to draw on their already depleted Superfund balance. So, if you have already drawn over 50% this year, you can contact your Advisor or Superfund to suspend further payments if you wish.

It is unknown yet, if this will continue into the next financial year, or not.

Speedo Readings

For those of you, who use a log book for motor vehicle claims, make sure that you record your speedo readings at 30 June so you can justify using your current log book for your tax return.

Pensions for Centrelink

For the last 2 years, many pensioners over the age of 60, have been able to enjoy the benefits of tax free pensions, when paid from private super. An added unexpected bonus has been the ability to access Centrelink benefits and the Health Care Card. Well, it was too good to last.

From 1 July 2009, the rules have changed. The tests for Centrelink Benefits and the Health Care Card will now include the following:

- Tax free pensions. Including lump sums
- Salary Sacrificed super
- Net investment losses eg rental properties

Centrelink Pensions

You **may** be entitled to some pension if:

Your income is less than \$40,514 for a single or \$67,665 for a couple **and** your non home assets are less than \$550,500 as a single or \$873,500 as a couple.

Also, you may be entitled to the **Seniors Health Care Card** if your income is less than \$50,000 as a single or \$80,000 as a couple.

This is the simplistic version of details, but if you think you may be entitled, it is worth contacting Centrelink to find out more. www.centrelink.gov.au

First Home Saver Accounts

The Government provides a 17% contribution on the first \$5,000 of individual savings made each year. It must be a minimum of \$1,000pa. for a minimum of 4 consecutive years before you can withdraw it.

MUST be used to buy your first home, otherwise it has to be rolled over to a superfund. You cannot change your mind and take it out to spend.

Interest or earnings on savings in this account are taxed at a flat rate of 15%.

Most Banks, Building Societies and Credit Unions have these accounts and more information

LODGING TAX RETURNS

*Please bring in your information **ASAP** if you have not lodged your 2008 and prior tax returns.*

The Education Tax Refund

Just a reminder this will apply for your **2008/9** tax return **only if you are eligible for Family Tax Benefit Part A**. Different levels apply for Primary (\$375) & Secondary students (\$750) and you are entitled to 50% of eligible expenses which include computer, internet connection, education software & textbooks. **Note that School Fees or uniforms do not apply.** So, it is important to keep receipts for these items for next years tax. ie 2008/9.

30% Business Investment Allowance

If you "contract" to buy new (not second hand) business equipment over \$1,000 between 13 December 2008 and 30 June 2009, you will be entitled to an extra 30% claim on your 2008/9 tax return. The item has to be received and ready for use by 30 June 2010. The item has to be a depreciable item under s40-B of the Tax Act. This basically means most standard business plant & equipment and motor vehicles used for business purposes. This deduction is on top of the standard depreciation claimed also.
(NB This will NOT apply to you if the item is leased and it is NOT a rebate)

From 1 July to 31 December 2009 the deduction will be reduced to only 10%. All the other rules still apply.

Contact us if you need more information.

Our New Services – For your Total Financial Solutions

To better meet the needs of our clients and offer the services you tell us you want, we have become accredited to provide the attached extra services to those who require it:

Financial Planning – We have a new team led by Paschal Leahy. This team also includes Allison Lee and Clare Boardman.

Personal Insurances – Income Protection and Life Insurances at competitive prices

Wills with Power of Attorney for fixed price from \$440 per couple

More complex **Testamentary Trusts & Estate Plans** from \$1500 to around \$2000.

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