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Spring 2009

Hello Everyone, in the run up to Christmas, we are all working very hard to get your tax refunds to you as quickly as possible. So, meanwhile, please have a read of our newsletter. Always remember, if you have any questions or comments, we'd love to hear them. Best wishes to you all from the Team at GLR.

ATO – Tax Scam Email – BEWARE!!!

Please be aware of the Tax scam email that is being circulated at present. The subject on the email is "Important notice! Australian Taxation Office". This email offers you an internet link to open up the annual calculation of your fiscal activity, to determine if you are eligible to receive a tax refund. It states what the refund value is and asks you to submit your tax refund request to be processed.

If you wish to read further about this scam email please see link:

<http://www.ato.gov.au/corporate/content.asp?doc=/content/00196296.htm>

50% Business Investment Allowance

If you are a "small business entity" (i.e turnover of less than \$2 million a year), and you "contract" to buy new (not second hand) business equipment over \$1,000 between 13 December 2008 and 31 December 2009, you will be entitled to an extra 50% claim on your tax. The item has to be received and ready for use by **31 December 2010**. The item has to be depreciable. (NB: this will NOT apply to you if the item is leased and it is NOT a rebate). Contact us for more information.

MBF & NIB Shares

The legislation has now been passed. These shares issued and any cash received, are definitely tax exempt as expected. But if you have sold them since, they are taxable.

New Laptop Rules

The double deduction that applied for laptops & other FBT exempt items has been abolished. The new rule is any item purchased from 14 May 2008 must be used primarily for work purposes if it is purchased via salary packaging (FBT free).



The Education Tax Refund

Will apply for your **2009** tax return **only if you are eligible for FTB Part A**. Different levels apply for Primary (\$375) & Secondary students (\$750) and you are entitled to 50% of eligible expenses which include computers, internet connection, education software & textbooks. **Note that School Fees do not apply.**



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 taxable incomes are over these limits **and** you do **not** have Private Health Insurance with Hospital cover, then you will be hit with an additional 1% surcharge on top of your 1.5% Medicare Levy you already pay.

Rental Property Deductions

Just a reminder about some often missed claims that you can make:

- Travel for inspections and or maintenance, including buying supplies etc. Just record the kilometres travelled.
- Phone calls and stationery
- Landlord Insurance.
- Depreciation on Construction costs if built after 17 July 1985. A Quantity Surveyors report is required.

N.B As a Tax Agent client the 31 October Deadline is N/A!!

Update on Pension Assets Test

From 20 September 2009, the Government has decreased the Pension Assets Test reduction rate from \$3 per \$1,000 of assets, to only a \$1.50 deduction. This means that now you can still get at least a part pension with assets up to **\$928,000**. Provided, you pass the Income Test of \$59,124 for a couple. (This has been lowered from \$68,400 p.a)

So if your assets or income were too high for the pension before, it is now a good time to reapply to Centrelink.

Medical Rebate

A 20% rebate is available on the net medical expenses your family pay per year, over \$1500. Eligible medical expenses include:

- Chemist prescriptions
- Optical costs
- Physiotherapy
- Nursing Hostel Costs (approved facilities).
- Normal Doctor/Hospital costs.
- Dental (including Braces)
- Medical aids (artificial limbs, eyes, hearing aids wheel chairs etc)



Superannuation

With all the recent changes, we find that some people are still a little confused. Therefore, they are not always making the best decisions to make the most of the tax relief that is available if structured the right way. For example, many people **over 55** may benefit from a Transition to Retirement Pension. It enables you to claim a 15% tax rebate, rather than pay full tax on the same amount of income. If you think this may apply to you, then please contact us. We may be able to save you \$000's in tax.

Child Support Assessments

Changes will apply to income years starting on or after 1 July 2009. That allows the CSA to automatically count salary sacrificed super contributions and net financial losses as part of the customer's child support income.

The changes will generally affect child support assessments for child support periods that begin on or after 1 July 2010.

NSW Land Tax Reminder

For the 2009 year, the threshold for properties in NSW liable for Land Tax is \$368,000. So if you have rateable land with a value over this amount, then you will need to register. It is not automatic, but if they find you first, penalties will apply. See the website at www.osr.nsw.gov.au/portal/page

NB: In ACT all rental properties attract Land Tax.

First Home buyers Stamp Duty Exemption

NB. From 1 July First Home Buyers are exempt from Stamp Duty for homes up to \$285,000 and a reduced amount up to \$326,000. In addition, your household income must be under \$100K, plus \$3330 for each child.

http://www.mortgageworldaustralia.com.au/first_home_buyers/stamp_duty_concessions.htm

First Home Owner Grant

The First Home Owners Grant scheme (FHOG) was introduced on 1 July 2000, and provides a \$7,000 grant to first home buyers.

Contracts made between 1 October 2009 to 31 December 2009 to purchase an established home will receive a First Home Owners Boost (FHOB) of \$3,500 that will take the grant up to \$10,500 or if you intend to build a new home or purchase a newly constructed home you will receive an extra \$7,000 to make the total grant \$14,000.

For more information please see link: http://www.revenue.act.gov.au/home_buyer_assistance/first_home_owner_grant



How did you Survive the "Financial Crisis"?

With all the doom & gloom that was in the media, you probably thought the world was about to end. But it didn't and currently the world economies are back on track. Not to say all is rosy again yet, but well on their way. I think the main thing this has shown us is, that markets are always a cyclical event, and that things do recover. Those that asked us for advise, have generally come out ahead of where they would have been.

RECEIVING NEWSLETTER BY EMAIL

If you wish to receive this newsletter via email, please email: admin@gorrellong.com.au