

Ten Things to do before 30 June

1. Defer the earning of assessable income.
2. Advance deductible expenses, - i.e. stationery, repairs, advertising and other consumables. **Warning:** Do not advance the purchase of trading stock - This only gets added to your stocktake!
3. If you are eligible - utilise pre-payment rules for deductible expenses.
4. Realise capital losses to reduce Capital Gains Tax.
5. Defer the sale of assets subject to Capital Gains Tax.
6. Maximise tax deductible Super Contributions, including making a Contribution for your spouse if they earn less than \$10800 p.a.
7. Investigate the benefits of putting a Salary Sacrifice arrangement in place for the following year.
8. Carry out a full stocktake at close of trade on 30 June 2003.
9. Review depreciation schedules for obsolete or scrapped items of equipment or other assets.
10. Review accounts receivable for bad debts. All action for recovery must have ceased and the debt formally written off.



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Reminder for Employers

Superannuation Guarantee Contributions must be paid by 30 June to qualify for a *Tax Deduction*.

Issue PAYG Summaries to staff by 14th July and send ATO copies of PAYG Summaries & Summary Statement to the ATO by 14 August to *avoid penalties*.

From 1 July 2003, Superannuation Guarantee Contributions are to be made at least quarterly. This differs from the previous requirement to make an annual contribution prior to 28th July each year.

It's nearly that time of year again... Prepare for your Income Tax Return!!

To help make the process a little easier, here is a list of information we may need.

Income

- PAYG Summaries - Wages, salaries, commissions, bonuses, directors fees
- PAYG Summaries - Government payments and pensions, including Newstart, Age Pension, Youth Allowance etc.
- ETP Summaries - Lump sum payments from a superannuation fund or on retirement.
- Bank Information - Interest earned
- Dividends
- Any other income received.

Deductions

- Work Related Expenses - e.g. Motor Vehicles, Uniforms, Tools, Office Expenses
- Other Receipts - Donations

Other

- Private Health Insurance Statement
- Superannuation Fund Statement - Confirming personal contributions made during year.

**Remember, it is better to provide too much information,
than pay too much tax because your return didn't include everything!**

NEWS FLASH

GST & Compulsory Third Party Insurance (CTP) Good News!
After 1 July 2003, an input tax credit can be claimed for GST on your Motor vehicle CTP policy. Before this date, input tax credits were denied.

How to Claim Motor Vehicle Expenses

METHOD 1.— Cents Per kilometre

- Your claim is based on a set rate for each business km, depending on engine size.
- You are able to claim a maximum of 5000 km's.
- No written evidence required.

METHOD 2.— 12% Percent of original value

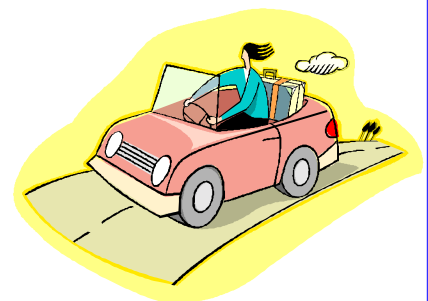
- Your claim is based on 12% of the original value of the car.
- Your car must have travelled more than 5000 business km's.
- No written evidence required.

METHOD 3.—One third of actual expenses.

- Your claim is based on one-third of each car expense.
- Your car must have travelled more than 5000 Business km's.
- You need written evidence for all car expenses.

METHOD 4.— Logbook method.

- Your claim is based on the business use percentage for each car.
- You need a logbook to record the percentage. You claim fuel and oil based on odometer records, while written evidence is required for all other car expenses.



Tax Free Capital Gains!!!

Thinking of selling your own home? The good news is that the Tax Office doesn't tax you on any capital gain, provided the home was your principal place of residence for the entire time you owned it, regardless of how long you owned the property.

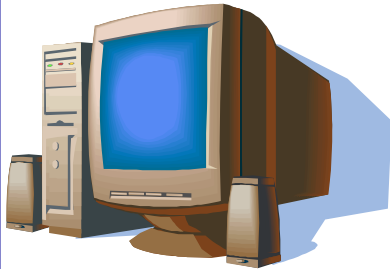
When selling an investment property do you pay capital gains tax?

You pay capital gains tax on the profit made, regardless of how long you owned the property, except if the asset was purchased prior to 20 September 1985. If you owned the property for longer than 12 months you may qualify for a number of concessions.



Which accounting software should I use?

A.L.L. Business can provide your choice of accounting software, including:
MYOB, Cashflow Manager and QuickBooks.



We have test drive packs available in reception for you to try out before purchasing the full version.

If you are thinking about using another software package, look up the Tax Office's register to check whether the software meets the ATO requirements. Go to www.ato.gov.au/rsf

A copy of the ATO's E-Record can be downloaded from www.ato.gov.au/erecord, or obtain a copy by phoning 1300 139 051.

YOU CAN SAVE TIME & EFFORT BY USING AN ELECTRONIC RECORD KEEPING SYSTEM

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What Records Do I Need to Keep?

- **Sales/Income** – Invoices, receipt books, cash register tapes, merchant summary statements, accounts receivable reports, bank deposit books
- **Purchases/Expenses** – Tax invoices, accounts payable reports, cheque butts.
- **Employees** – Wages records, Tax file number and withholding declarations, PAYG summaries & annual reports, superannuation records and fringe benefits provided.
- **Year End records**- Motor vehicle logbook/s, Debtors & Creditors lists, stocktake records, depreciable asset register, general ledger if computerized.

Records must be kept for a period of 5 years, from the date your annual income tax return is lodged, and 5 years from the disposal of depreciable assets.

CPA



In May, we celebrated our 1st Birthday. It has been an absolute delight meeting and working for all of my new clients. The business has continued to grow at a phenomenal rate, and I am enjoying coming to work every day! As I have mentioned to many clients, I feel the practice is close to reaching its full client compliment, and I will soon be limiting new client numbers. This is to ensure that I can continue to be at YOUR service and deliver the quality attention and advice YOU require to achieve your goals.

If you have any questions regarding the contents of this newsletter, or any other matter, be sure to contact the office, and introduce yourself to Debbie if you haven't already met her, and I will be happy to elaborate. I look forward to working for you in the new financial year.

Personalised, Professional Service for All Clients

A.S.I.C. ANNUAL RETURNS ABOLISHED

From 1 July 2003, companies will no longer be required to lodge an annual return with ASIC. As a trade-off, ASIC must be notified of changes to a company's details, if and when they occur throughout the year. ASIC will now issue companies with an Annual Statement, which will include an Extract of Particulars (EoP) and a review fee invoice. The timing of the Annual Statement will be based on a company's review date. A company's review date is usually the anniversary of the company's incorporation.

If there are no changes required to the EoP, then the company only needs to pay the review fee within 2 months of the review date. However, if any details are incorrect, the company must advise ASIC within 28 days of the EoP's issue date using form the new Form 484. This form replaces 5 separate Forms previously used.



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"Achievement is largely the product of steadily raising one's level of aspiration and expectation."

Jack Niklaus

Disclaimer: This is not advice. Clients should not act solely on the basis of material contained in this publication, as it does not take into account your own personal situation. Items herein are general comments only and so do not constitute or convey comprehensive advice. Changes in legislation occur quickly, therefore we recommend that our formal advice be sought before acting in any of these areas. This publication is issued as a helpful guide to clients and for their private information.