

# A.L.L. BUSINESS

Certified Practising Accountant

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## Government Stimulus Package—What it Means for you

In January 2009, the Rudd government announced plans for a \$42 billion Stimulus Package. This Stimulus Package means many things for many different individuals and businesses throughout Australia.

### Tax Bonus For Working Australians

The government is providing one-off cash payments to all eligible individuals. The bonuses, subject to an income threshold, will be paid to the following:

- \$900 bonus to all eligible taxpayers with a taxable income of up to and including \$80,000
- \$600 bonus to all eligible taxpayers with a taxable income exceeding \$80,000 and up to \$90,000
- \$250 bonus to all eligible taxpayers with a taxable income exceeding \$90,000 and up to \$100,000

Taxpayers need not apply for the bonus, however, you must have your 2007—2008 income tax return lodged no later than 30 June 2009. Payments to individuals may commence as soon as April 2009. This bonus will not be used by the ATO to offset any other tax liabilities.

### Single Income Family Bonus

Single income families may be eligible to receive a one-off bonus payment of \$950. To be eligible, families must receive the Family Tax Benefit Part B and have only one main income earner. Single Income Families can expect to start receiving the bonus as soon as March 2009. Families receiving the Family Tax Benefit Part B as a lump sum will still receive their bonus after their 2008-2009 income tax returns have been lodged and processed by the ATO

### Farmers Hardship Bonus

Farmers and rural-dependant business owners may be eligible for a one-off bonus of \$950 if they are receiving any of the following:

- Exceptional Circumstances Relief Payment for Farmers
- Exceptional Circumstances Relief Payment for Small Business
- Interim Income Support for Farmers
- Interim Income Support for Small Business
- Transitional Income Support; or
- Farm Help Income Support

### Back to School Bonus

Families who are eligible for the Family Tax Benefit Part A may also be eligible to receive a one-off bonus to help with the rising costs of education. The bonus of \$950 may be payable for each child of school age (aged 4 to 18 on 3 February 2009).

### Training and Learning Bonus

The Training and Learning Bonus is a one-off payment to eligible students to help with the costs of education in the 2009 academic year. If a student is receiving Youth Allowance, Austudy, Abstudy or related payments, they may be eligible to receive the \$950 bonus. If a student attracts the Back To School Bonus, they will not be eligible for the Learning and Training Bonus.

## Changes to the Baby Bonus

From 1 January 2009, changes were made that affect the Baby Bonus. The Baby Bonus is paid to families following the birth or adoption of a child to assist in the increasing costs of raising a child. The Baby Bonus is a payment to eligible families of \$5000 for each child, paid over 13 fortnightly instalments.

To receive the Baby Bonus, your claim must be lodged within 52 weeks of the child's birth or adoption. To be eligible for the Baby Bonus, your family must have a combined Adjusted Taxable Income of \$75,000 or less in the six months following the birth or adoption of your child.

### Checklists

Making sure that you have included everything necessary to complete your work can be a horrible task.

We have made the job easier for you with our checklists.

Choose from:

- Business Checklist
- Individual Checklist
- Investment Property Checklist
- Capital Gains Tax Checklist

Drop into our office and collect yours today, or alternatively, visit our website and view the checklists online:

[www.allbusinesscpa.com.au](http://www.allbusinesscpa.com.au)

### Tips for Claiming Donations to Emergency Relief Funds

Unfortunately, recent times have brought us some devastating fires and floods. Tax issues are not something that come to mind when donating to relief efforts.

Here are some tips for those who have donated to the victims of the Victorian Bushfires and Northern Queensland Floods:

- "Bucket Donations" can claim a tax deduction equal to their contribution up to \$10 in their 2008-2009 tax return with out the need for a receipt
- Phone or Web donations over \$10 can use their web receipt or credit card statements to claim deductions.
- Bank and third party donations should be provided with receipt at the time of contribution
- Only endorsed organisation donations will be eligible to be claimed as tax deductions

## Tax Help for Queensland Storm Victims

With the recent difficult times brought upon us by the North Queensland Floods and Brisbane Storms, tax obligations often fall by the wayside.

If you are having troubles meeting your tax obligations due to the storms, the tax office can be contacted to make specific arrangements for your individual circumstances.

The Tax Office can arrange help for those people affected by natural disasters through:

- Fast tracking refunds
- Giving people extra time to pay debts with out interest charges
- Giving more time to meet BAS and other lodgement obligations with out penalties
- Help to reconstruct tax records where documents have been destroyed

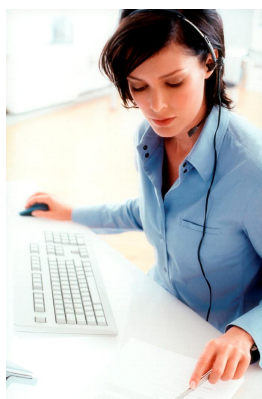


# Small Business News

## PAYG Instalment 20% Reduction

The Government has announced a 20% reduction of the quarterly PAYG instalment due for the December 2008 quarter.

This reduction does not apply to other tax liabilities, including PAYG Withholding, GST, Fuel Tax, and Fringe Benefits Tax.



Your small business may not be eligible if:

- You calculate PAYG instalments on the basis of your instalment income
- Your annual turnover is in excess of \$2 million
- Have already varied the amount of the PAYG instalment for the quarter that includes 31 December 2008 or an earlier quarter for the income year
- Pay two tax office calculated PAYG instalment amounts
- Are a non-business taxpayer with only investment income

This 20% reduction is a reduction to the instalment payable for the quarter ended 31 December 2008. This is not a deferral of the instalment.

What to do if you have already paid the full amount.

If you have already paid the full amount of the instalment as advised on the activity statement you have two options:

- Either do nothing—the ATO will treat the extra 20% as a voluntary payment made towards your income tax liability; or
- The 20% reduction can be either applied to the next PAYG instalment or be refunded

## Investment Tax Breaks for Small Business

Small businesses are set to receive investment tax breaks, as announced by the government. The tax breaks, in the form of an investment allowance will provide:

- An additional 30% of the cost of eligible new depreciating assets to be deducted. The assets must be acquired under a contract or commenced construction between 13 December 2008 and 30 June 2009 and be ready for use by 30 June 2010.
- In addition to this, an extra 10% tax deduction of the cost of eligible new depreciating assets acquired under contract or commenced construction between 1 July 2009 and 31 December 2009 and be ready for use by 31 December 2010.

New expenditure on existing assets may also be eligible. To qualify for the deduction, the following criteria must be met:

- Assets must cost \$1000 or more
- Small businesses must have a turnover of less than \$2 million per year

## Fuel Tax Credits

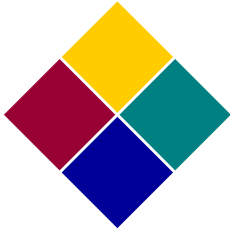
Are you eligible to claim Fuel Tax Credits in your business?

- Do you use fuel in your business (machinery, plant or equipment)?
- Is the fuel only used in vehicles over 4.5 tonne GVM?
- Do you use fuels other than alternate fuels?

From 1 January 2009, there has been changes made to the Fuel Tax Credit Rate.

- 17.413 cents per litre can now be claimed in all eligible vehicles greater than 4.5 tonne GVM travelling on a public road
- 38.143 cents per litre can be claimed for all eligible vehicles used in agriculture, fishing, mining, forestry, marine transport, rail transport, nursing and medical transport, generating electricity (business or commercial)
- 19.0715 cents per litre can be claimed for all other activities, machinery, plant or equipment that are eligible

The Fuel Tax Credits can be claimed on your BAS the same way that you claim your GST credits.



CPA



Phone: 07 4124 2220  
Fax: 07 4124 3690

**Email:**  
admin@allbusinesscpa.com.au

**Web:**  
www.allbusinesscpa.com.au



Shop 1, "Melory Place"  
53 Torquay Road  
PIALBA QLD 4655

PO Box 3162  
PIALBA QLD 4655

## Are Your Contact Details up to Date?

### Have you recently moved or changed your contact details?

To ensure that there are no delays in receiving any applicable refunds, and in order to keep our records up to date, please let us know as soon as possible if any of your contact details have changed.

## Important Upcoming Dates

### For Individuals:

*28 April 09:*

- Lodgment and payment of the January—March 2009 PAYG activity statement due for quarterly payers

*30 June 09:*

- End of 2008—2009 Financial Year
- Last day to lodge 2007-2008 tax return to receive Government Tax Bonus

### For Businesses:

*21 March 09:*

- Activity Statements—February 09 monthly activity statements final date for lodgment and payment

*31 March 09: 1*

- Income Tax—Income tax return and payment for superannuation funds

*21 April 09:*

- Activity Statements—March 09 monthly activity statements final date for lodgment and payment

*28 April 09*

- Activity Statements—Quarter 3 (Jan—Mar 09) final date for lodgment and payment
- GST Installments—Quarter 3 (Jan—Mar 09) Installment notices
- Superannuation—last day for superannuation guarantee contributions to be made to a superannuation provider for quarter 3 (Jan—Mar 09)

## Super Co-Contributions

Is your total income is less than \$60,342? Then you may be eligible for the governments Super Co-contribution.

The government will match every \$1 you contribute with a co-contribution of \$1.50, with a maximum of up to \$1500.



The maximum co-contribution is payable when your assessable income is less than \$30,342 and the rate reduces until your assessable income reaches the \$60,342 cut off limit.

To be eligible you must make a personal super contribution and lodge your income tax return before 30 June 2009. Self employed individuals are now eligible to receive the co-contribution.

Remember that you are not entitled to a co-contribution for any amount of personal contributions you choose to claim as a tax deduction.

There is no need to apply for the co-contribution, it will be calculated by the ATO and paid directly to your fund once you have lodged your 2008-2009 income tax return.

**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 cone 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.