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Christmas Newsletter 2009



Dear clients,

From all the staff at Trevor Wolff & Associates, we wish you and yours all the very best for Christmas and a healthy and prosperous New Year.

Please note that our office will be closed from 11.00 am on Thursday 24 December 2009 until 8.30 am Monday 11 January 2010.

A Few Notes and Reminders:

❖ Tax Break for Small Businesses

Small businesses may enjoy the Tax Break if they purchase or order new Plant and Equipment including Motor Vehicles before 31/12/2009.

Conditions:

To be eligible for the Tax Break:

1. The net of GST price (for GST registered businesses) must be over \$1000. The Tax Break amount is 50% of the net cost price (over \$1000).
2. The equipment or motor vehicle must be new.
3. Beware of demonstrator vehicles (some restrictions apply).
4. Software, unless part of the operating system for the computer (sold as a package) is NOT available for the Tax Break.
5. The equipment/motor vehicle must be ordered before 31/12/2009 and delivered before 31/12/2010.
6. **WARNING:** If you are ordering the equipment/motor vehicle before 31/12/2009 and taking delivery after this date, and you are financing it through loans, i.e. Hire Purchase or Chattel Mortgage, make sure that you have the finance all bedded down before 31/12/2009 or you won't be able to claim the Tax Break.

7. If you are self employed, and working on an hourly rate (PSI) Personal Services Income, you will be denied the Tax Break.

8. The equipment/motor vehicle must be used mainly for business, i.e. more than 50%.

❖ Education Offset

- A timely reminder to keep all your receipts for your students (primary and secondary school) for whom you are able to claim Family Tax Benefits from Centrelink. The offset is available for computers, electronic equipment, educational software, stationery, and text books, internet usage, and antivirus software.
- To be able to gauge how much internet that can be claimed, the Tax Office has suggested, in the past, to keep a note book/diary for at least one month each year showing the total internet usage and the internet usage for each student. We can then put that portion of the internet cost towards the education offset.
- The offset is also available where you may pay directly to the school, a text book and /or stationery levy.
- Should you spend more than the allowable amounts, i.e. a new laptop for \$1000, then any excess which is not used up in the offset can be carried forward to the next year, i.e. \$1000-\$750 - carried forward \$250.

❖ Superannuation

This firm has purchased Superannuation Management Software and we are now able to prepare Tax Returns for Self Managed Superannuation Funds. Col Grant is an Auditor and can audit Self Managed Superannuation Funds not prepared by us. This is an exciting new addition to the services we can now offer.

❖ Tax Planning

All small businesses need to know where they stand financially through the year. As we complete your BAS we can provide a Detailed Profit & Loss Statement and from time to time we may make comments to help you plan your taxation affairs.

Please advise us if you would like this service each time we do your BAS.

❖ Bookkeeping

Often we receive from our clients a set of accounts prepared on the computer and we cannot easily transfer the information to our accounting software. We have been trialing some accounting software called "BankLink". There is a cost involved but we have found that clients using this system are saving on our fees.

This program saves double entry onto your computer, then to ours thus saving bookkeeping costs. The BankLink system is based on our firm receiving electronic bank statements each month. We code the entries on the electronic statement then with a click of a button, the information is transferred to our software thus allowing us to create Reports and Tax Returns much quicker. Should you wish to take advantage of the system, please phone and/or come in and we can show you how it all works and hopefully save you some fees.

❖ Budgets for Business

Our software allows us to be able to create Budgets. Each quarter when we complete your BAS, we would be able to compare where you are now as compared with where you thought you would be. This tool, along with up-to-date Profit & Loss Statements, will enable you to look at your business and make any necessary adjustments if required.

❖ Website

Have you visited our website? See it at www.wolffaccountants.com.au.

With the advent of technology, we are able to complete your Tax Return from your emails and scanned documents saving you the time spent at an appointment. While we like to see you each year, we understand that sometimes your time can be better used elsewhere. We can email or phone you with any questions.

❖ Tax Refunds

Some taxpayers who salary sacrifice into superannuation may find that their refunds or Centrelink benefits are reduced this year. This year for the first time, your employer is required to show your superannuation salary sacrifice on your PAYG statements (group certificates).

The benefits which could be affected by the new arrangements are:

- Dependant Spouse Offset
- Medicare Levy Surcharge
- Superannuation Co-Contribution (received from the Tax Office)
- HECS/HELP Loan Repayments
- Mature Age Workers Offset
- Pensioner/Seniors Tax Offsets
- Entrepreneurs Tax Offset
- Spouse Super Contributions Tax Offset
- Child Support Payments
- Baby Bonus
- Child Care Benefits
- Commonwealth Seniors Health Care Card
- Family Tax Benefits Part A & B

These benefits are affected by what is called Adjusted Taxable Income. The calculation is Taxable Income plus Rental Losses plus Salary Sacrifice including Superannuation Salary Sacrifice.

Special Notice to Clients of Col Grant

Please remember that Col is now located in our office at 2/17 Nirimba Street, Manly West.

If you are having difficulty in coming to our office, please post, fax, email, or use our website (www.wolffaccountants.com.au) to send your information to Col. He will promptly attend to your work and talk to you should he require more information.

❖ Refunds before Christmas

There may be still time to get your refunds for Christmas. Please phone for an appointment NOW.

The Tax Office has notified us that they are shutting their computer system down between 22 January and 27 January to install new software.

They will not be processing Tax Returns during this period and have advised that refunds may be delayed if Returns are lodged after 15 January until they are fully operational again.

❖ Some Trivia

Although I have been preparing Income Tax Returns since 1978, I have been in Private Practice now for 20 years.

Thank you to all my loyal clients over the past 20 years. I started from a one man office under my house as some will remember, to now at Shop 2/17 Nirimba Street with six desks now fully occupied.

Thank you for recommending our services and helping our business grow.