



GREEN TAYLOR

PARTNERS

Your Partners in Business

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Important Dates

- 05/06/2010** - Last date for income tax returns for 2009. If lodged after 15 May 2009, tax is payable on lodgement of return
- 14/06/2010** - GTP closed for Queens Birthday public holiday
- 21/06/2010** - May activity statement lodgement and payment due for monthly payers
- 14/07/2010** - PAYG statements (group certificates) to be provided to each employee by this date
- 21/07/2010** - June activity statement lodgement and payment due for monthly payers
- 28/07/2010** - June quarter Superannuation due
- 28/07/2010** - June activity statement lodgement and payment due for quarterly payers
- 14/08/2010** - Annual PAYG summary (group certificates) to be provided to tax office by this date
- 21/08/2010** - July activity statement lodgement and payment due for monthly payers

Green Taylor Partners express their shock and sadness at the passing of Sue Holmes, our highly regarded team member and friend.

Our deepest sympathies to Steve, Baden, Damien, Ben, Zach and families.

Her presence and encouragement will be sadly missed.



The Team at Green Taylor Partners



NEW TAX OFFICE COMPUTER SYSTEM — WHAT A MESS!*

With every new system comes problems, just ask the ATO!

In late 2009 the ATO advised that they would be upgrading their old, outdated computer system in December 2009/January 2010 and that their new processing system would be up and running by mid January 2010.

In early January 2010 the Tax Office advised that Tax Agents may experience “temporary service delays”.

By February there was a backlog of 300,000 tax returns yet to be processed.

Without prior consultation, the Tax Office then announces in March that there is now a new four page notice of assessment rather than the simpler one page version.

The Tax Office then stops ‘a significant number’ of refund cheques.

When these refund cheques are subsequently sent out they are dated 2 to 3 weeks earlier.

By the beginning of April assessment notices were being sent out with incorrect dates, without refund cheques attached and with only partial assessment notices enclosed.

By the end of May the Tax Office seems to have their new system up and running with minimal delays.

Across Australia, hundreds of thousands of income tax refunds have been affected.

We hope this information gives some understanding as to the difficult situation in which the tax profession found itself in due

to the Tax Office’s implementation of its new system.

We apologise to all clients who experienced difficulty receiving their assessments and refund cheques this year and thank all for their patience with this matter.

Should you require any further information or are yet to receive your assessment, please do not hesitate to contact our office.

*** Reference: Extract from a letter of explanation from the National Tax & Accountants’ Association Ltd 19/04/2010 re: Change program creates crisis in many tax agents’ practices.**

Snapshot of the 2010/2011 Federal Budget

More money in your pocket

New tax rates and thresholds come into effect from 1 July 2010:

- \$0 – \$6,000 0%
 - \$6,001 – \$37,000 15%
 - \$37,001 – \$80,000 \$4,650 + 30%
 - \$80,001 – \$180,000 \$17,550 + 37%
 - \$180,000 \$54,550 + 45%
- This means if you earn...
- \$35,000 – you’ll get an extra \$150
 - \$55,000 – you’ll get an extra \$450
 - \$80,000 – you’ll get an extra \$300
 - \$100,000 – you’ll get an extra \$500
 - \$150,000 – you’ll get an extra \$1000
 - \$200,000 – you’ll get an extra \$1,300

The tax savings come from a combination of an increase in the Low Income Tax offset and changes to some income thresholds and marginal tax rates.

Change to tax free income thresholds for pensioners

A single pensioner can earn up to an extra \$818, and for a pensioner couple up to an extra \$1,000 a year. This also means that the Medicare levy will only... **...Continued Page 2**

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Snapshot of the 2010/2011 Federal Budget ...Continued from Page 1

kick in once you reach annual incomes of \$30,685 for a single person, and \$53,360 for a couple.

Tax returns – might get simpler

It is proposed that from the 2012 tax year the 'tick and flick' tax returns will be introduced. It's expected to be an automated system where you can choose for a standard deduction to apply even if you cannot substantiate the expenses. This will make it easier for those without claimable deductions to do their returns, with an automatic \$500 and \$1,000 deduction allowed in 2012 and 2013/14 respectively.

Note: If you can substantiate higher expenses you can continue to claim the higher amounts.

The Government's encouraging savings

Savers will be able to earn up to \$1,000 in interest and take advantage of a reduced tax rate on these earnings (50% discount).

Example: If you are on the 30% tax rate and earn the full \$1,000 in interest you'll save approximately \$157 – and if you were on the top tax rate (45%) you'd save \$232.

Good news for people saving for their first property

Genuine first home buyers who open a first home savers account (FHSA) can benefit from only paying 15% tax on interest earned. The Government will also kick in \$850 per year for people who deposit \$5,000 or more into the savings account. The only downside to date is that the accounts must be open for 4 years and must be used for the purchase of the home. If for some reason the savings can't be used for buying property it must be put into super – locked away until retirement. If you buy your home before the four years is up the Government is now looking at allowing the FHSA to be paid off the home loan.

More out of pocket expenses for medical

The threshold for the medical expenses tax offset is raised from \$1,500 to \$2,000, meaning that you have to reach \$2,000 of out of pocket medical expenses before you are eligible to receive 20% discount (or tax offset) on amounts over this.

Working families – slugged

From 1 July 2010 there will be a reduction in the child care rebate cap to \$7,500. This reduces the rebate by \$278 per year.

Superannuation – reinforced as the primary savings vehicle for retirement:

• Increased retirement savings

By 2019/20 compulsory superannuation contributions by employers (Superannuation Guarantee) will rise from 9% to 12% through a series of staggered increases starting in the 2013/14 financial year

• Compulsory payments for longer

There has been an extension of the Superannuation Guarantee age limit from 70 to 75. This means that people aged 70 to 74 will be eligible to have compulsory Superannuation Guarantee contributions made on their behalf.

• Government will match contributions

Low income earners (under \$37,000 pa) will receive a Government contribution up to \$500 each year on top of the contributions you make into super. This in effect cancels out the contributions tax paid on the contributions (effective from July 2012).

• Play catch-up with super

If you are 50 or over and have less than \$500,000 in superannuation you can contribute up to \$50,000 per year. This is an extension of the contribution cap that expires 30 June 2012.

• More time for people who exceed their super contributions

It is proposed that if you have exceeded the contributions cap on super you can raise it with the ATO before a Excess Assessment Notice is issued. This means that members will be able to more confidently target contributions caps for the current year.

• Minimum pension drawdown

Reverts to previous levels from 1 July 2010. For example someone aged up to 65 years old can currently take a minimum of 2% pa of their account balance as an income payment. From 1 July this will revert to 4% of the account balance as a minimum income payment.

• Tax changes affecting small businesses

- reduction in the company tax rate from 30% to 28% by the 2014/15 tax year.
- the lower rate applies to small businesses from the 2012/13 financial year.
- from 1 July 2012, eligible small businesses will be able to write off assets that are worth less than \$5,000 (currently \$1,000).
- enabling small businesses to calculate all other depreciation deductions by allocating all depreciating assets to a

single 'pool'. The pool will be subject to a 30% pa write off.

Resource super profits tax

- there will be a change to the way resource companies are taxed from 1 July 2012. The Government is introducing a 'Resource Super Profits Tax' (RSPT) which means that large resource companies will pay 40% tax on profits.
- the RSPT will replace the crude oil excise and operate in parallel with existing State and Territory royalty regimes.



BANKLINK BOOKS

Turn hours spent on your bookwork into minutes with Banklink Books

From 1 July 2010 GTP is taking on board an accounting program to help small businesses take control of their bookwork before it takes control of them. It is specifically aimed at clients who are using Quicken and don't have many debtors or creditors.

How it works — GTP receives bank statements electronically through Banklink's secure system. A data file is then sent out to clients using Banklink Books which contain all of the previous month's transactions. These transactions are coded up by the client who can then view reports such as cash flows and profit-and-loss reports. The file is sent back to your Accountant who reviews and completes your BAS based on the information you've supplied.

The benefits — Banklink Books dramatically reduces the time required to do your accounting and eliminates the burden of data entry without being complicated and technical.

You are fully supported by both GTP team members and Banklink support, which is second-to-none and costs you nothing!

For more information, or to see if Banklink Books would be suitable for your business, please contact us!!

Land Tax Assessments **Do yourself in!**



As from 01/01/2010, as you receive your Land Tax Assessments, legislation now requires you to advise the SRO of any land owned by you or your Trust that does not appear on the assessment. Penalties apply if you fail to do so. See your adviser if unsure.

Green Taylor Partners

GTP CLIENT GOLF DAY

We wish to thank all clients who attended our 12th Annual Green Taylor Partners Client Golf Day held on Friday 26th of March at Horsham Golf Club. A great day



was had by all with the winning team being Elaine Aitkin, Trevor McRae, Bob Hayes, and our own Kate Houlihan (pictured)!

Congratulations also to our major raffle winner David Rathgeber who won 5 nights accommodation at the beautiful Blue Seas Resort, Broome. The raffle proceeds of \$350 were donated to the Christian Emergency Food Centre Horsham.

We wish to thank our major sponsors Prime Wealth Consultants, Workco Ltd, Blue Seas Resort, National Australia Bank, St George Bank, Elders Finance, Rabobank, Commonwealth Bank and Bendigo Bank. We also pass on our thanks to the Horsham Golf Club, Mark McIntyre, Golf Club Catering and Dags Screenprinting for their assistance on the day.

REMEMBER if you would like to attend next year's Golf Day invites are open to **ALL CLIENTS** — simply contact us to reserve your place!

TAX PLANNING

Another financial year is coming to an end. With that comes the need to consider our tax minimization strategies. The 'Ten Top Tips' to do before the end of June are:

1. Prepay expenses if you are in the Small Business Entity regime;
2. Defer income until next year;
3. Review stock. Scrap obsolete stock. Consider Market value of stock at 30 June in comparison to Cost value;
4. Review debtors list and write off non-recoverable debts;
5. Maximise your Super contributions;
6. Primary Producers review your Farm Management Deposits, as to whether you should contribute or withdraw;
7. If receiving an annual bonus, consider Salary Sacrificing into Super;
8. Transfer assets such as land and shares into Super before 30 June;
9. Defer sale of Capital Assets or entering contracts for sale until July to push any CGT into 2011; and
10. If you are an employee, consider putting in place Salary Sacrifice for next year.

TRUST DEED

"BAMFORD" - TRUST ISSUES

Recently, the High Court of Australia passed judgement on a legal case, known as "Bamford". This has potentially serious ramifications for Discretionary Trusts — particularly those that may be some years old. We are currently awaiting the ATO "position" on this case.

In the meantime we are examining every Trust to consider the impact. It is most likely that many Trusts will require an upgrade/amendment.

We will keep you informed as we delve into this on your behalf.

GTP WEBSITE

Don't forget to check out the resources and links section on our website!

This section includes cash flow forecast spreadsheets for business, farm and personal use, links to the ACCC, ASIC, ATO and Australian Government information relevant to all. Our key dates section also lists important dates you need to know each month!

Visit www.greentaylor.com.au today!



SEMINARS

Building Business Resilience Seminar

On Monday 24 May, GTP jointly presented a day long workshop run by RIST (Rural Industries Skill Training). A number of GTP clients attended the session.

Topics included Banking and Business services (giving insight into needs for cashflows and dealing with financial institutions), Environment Asset Management, and Business Accounting and E-Commerce, (providing advice on proactive accounting processes within your business, and a review of computer based technology). The final topic was risk management and focused on management of external risks to the business such as the Mulesing debate and decision making regarding cropping and commodity sales.

Overall the work shop was a great day and all attendees got something from it.



ASIC

Australian Securities & Investments Commission

INDEXATION OF CORPORATE FEES

The Federal Government has amended Regulations fees payable by companies to be indexed annually in accordance with the Consumer Price Index (CPI).

This means that fees will be reviewed by ASIC annually in March and will be amended from 1 July each year.

For example from 1 July 2010 the:

- Annual review fees will increase from \$212 to \$218;

For more information and the most up to date fee information please check the ASIC website at www.asic.gov.au or contact us.

REMINDER

Don't forget to book in for tax planning before 30 June

Other Successful Seminars!

Estate Planning Issues for your SMSF seminar, Finance 101 for Small Business workshop and Finance 101 for Gen X and Gen Y seminar.

Due to 'client demand' the Finance 101 for Gen X and Gen Y this will now become an annual event, with young adults encouraged to attend to learn about their financial position. This night also provided a great vehicle for our younger team members to meet our younger clients. We thank all who attended.

Feedback from all nights included:

'Great information. Every 18 year old should hear and constantly review this information in some form. Thank you Peter for your 'frank' direct humour to sometimes serious issues. The parents and kids should thank you.'

- Finance 101 for Gen X and Gen Y seminar attendee comment

'As a younger member of a Super Fund it covered a large area of SMSF that had not been considered.'

- Estate Planning Issues for your SMSF seminar attendee comment

'Excellent seminar!! Should be very helpful and should definitely run again!'

- Finance 101 for Small Business workshop attendee comment

Green Taylor Partners

SUPERSEEKER

Find your lost Super!



SuperSeeker is a tool that will help you look for your lost and unclaimed superannuation and provide you with a list of possible matches.

It is free to use — The online and phone services are available 24 hours a day, 7 days a week.

How to search:

Online

It only takes a couple of minutes to search online by going to www.ato.gov.au/superseeker and clicking on the link to the SuperSeeker website under the online instructions. Please Note: You will need your Tax File Number, Family Name, Given Name and Date of Birth to log in.

Once these details have been entered the system will tell you if there is any super that matched your search criteria.

Phone

To search for lost super by phone you can call the ATO self help line on 13 28 65. You will then select option 1 from the menu, then option 2. Your Tax File Number and Date of Birth will then be required and you will need to key in these details.

The ATO self help line will advise if you have lost super held by either the ATO or by a Super Fund.

What to do with this information:

If you have lost super money being held by the ATO then you will need to contact them to arrange to claim the money.

If the lost money is being held by a Super Provider you will need to contact the provider directly to update your details or to roll the money over into your current fund.



GTP Team Member: Kate Houlihan

Kate Houlihan joined GTP in November 2009 as a Graduate Accountant.

Kate grew up in Harrow and has two sisters and two brothers. She completed her schooling at Monivae College and commenced her Commerce degree at La Trobe University Bundoora. Kate has recently enrolled to commence her CA training to become a member of the Chartered Accountants Institute of Australia.

Kate spends her weekends playing A Grade netball for Harrow Balmoral and is representing Horsham District Netball Association in their interleague team.

Is your SMSF paying Pensions?

Remember: If you are drawing pensions from your Self Managed Superannuation Fund—make sure you pay yourself at least the minimum amounts required so as to protect the tax free benefits of your Fund. Contact us if you are not sure!

If you are 55+, have a reasonable amount in your Super and currently don't receive pensions—perhaps you should contact us to learn of the opportunities available.

GTP Tit Bits

- GTP Team Members participated in Australia's Biggest Morning Tea in May and raised \$215 for the Cancer Council.
- Good luck to Kate who has enrolled to complete her CA!



YOUR CAREER →

CAREERS EXPO 2010

Green Taylor Partners will again be attending the Wimmera and Southern Mallee Careers Expo held at Longerenong. This year's Expo is being held on Tuesday 15th June from 5.30pm to 9pm and Wednesday 16th June from 9.30am to 2pm.

This year's team will consist of Jess Maybery and Kate Houlihan on the Tuesday night and Natasha Gardner, Sam Gabbe, Kate Houlihan and Ryan Schirmer on Wednesday.

We encourage anyone with an interest in Accounting to visit us and have a talk to the Accountants there about their different levels of experience.



BREAK EVEN

You may often hear your accountant at Green Taylor Partners refer to the concept of break-even. This refers to the point (BEP) at which cost or expenses and revenue/sales are equal: there is no net loss or gain, and one has "broken even". For many businesses this is a great concept to utilise for analysis.

For any new business, this analysis will allow you to estimate/predict what gross sales volume level you will need to achieve before you reach the break-even point and then, of course, build to make the desired profit that you want to achieve. We often have clients come in to the office looking at setting up a new business and this is one tool (of many) to assist them in making the right decision.

For early-stage businesses, you should be able to assess your early prediction and determine how accurate they were, and monitor whether you are actually on track to make the profits you need.

Even the mature business would be wise to look at their current break-even point and perhaps find ways to lower that benchmark to increase profits.

This analysis is used at Green Taylor Partners from both a profit perspective as well as from a cash flow perspective.

This analysis can even be used in various situations as an example; to evaluate the employment of a new sales team member, what sales would they need to achieve to cover their employment costs or to break even.

Once you have ascertained the break even point, it can be broken down into the required sales for the year, month, week and to get an even more accurate calculation, per day.

To learn more about the concept of break even please feel free to contact your accountant at Green Taylor Partners.

HAPPY NEW FINANCIAL YEAR!

Happy New Financial Year to all! We wish everyone a safe and prosperous 2011 financial year!

We take this opportunity to remind you that end of financial year checklists will be sent out in the coming month and to book in early to ensure your 2010 tax return is processed quickly by the Tax Office.