



KALLINICOS & ASSOCIATES

CERTIFIED PRACTISING ACCOUNTANTS

Guiding your business in the right direction

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Collection of our fee accounts

There is never a nice way to talk about this, however, it affects all businesses, ours included.

For your information, our terms for our fee collection are 14 days from date of invoice. Most clients adhere to these terms and pay within the specific time frame. For those that do so – **THANK YOU!** We appreciate your prompt payment and are always happy to provide you with our range of professional and business advisory services.

However, there are a small percentage of our clients who tend to ignore these terms and do not keep in contact with our office to discuss their difficulties in paying on time.

Commencing from 1 July 2009, our debt collection services will be strictly maintained. We will directly contact those particular clients who do not adhere to our payment terms and advise them of our new administration processes and procedures.

Do you need Quantity Surveyor Reports for your Investment Properties?

We would like to advise you that we have become associated with a firm of quantity surveyors who will be able to provide quick, simple and efficient reports to account for capital allowances and depreciation benefits for your investment properties. Prices for these reports start at \$495, which is very competitive compared to many other firms in the market.

Should you wish to have these reports prepared, please contact our office and we will provide you with the necessary assistance.

Having problems with Borrowing for your business – We can Assist!

We have noticed that banks are causing many hurdles recently when businesses are trying to borrow money. If you are having difficulties with this, please contact our office – We have a network of financial brokers who are willing to assist you in these matters.

Tax Office assists with payment arrangements

Subject to certain conditions the Tax Office will be able to provide a 12 month interest free policy on arrangements to repay outstanding activity statement amounts. This is in response to the global financial crisis.

BUDGET CHANGES:

The clock is ticking to salary sacrificing to super

The Government has announced that the concessional contribution caps (i.e., the maximum amount of deductible superannuation that can be contributed to a superannuation fund in respect of a particular member that is only taxed at 15%) will be halved from 1 July 2009, basically:

- ⌚ to \$25,000 (indexed) p.a. for individuals aged under 50 (from the existing \$50,000 indexed amount); and
- ⌚ to \$50,000 (non-indexed) p.a. for individuals aged 50 or more (from the existing \$100,000).

The cap on non-concessional contributions (i.e., undeducted contributions from after-tax dollars) will remain \$150,000 p.a. for the 2010 income year.

From 1 July 2009, reportable superannuation contributions, including salary sacrificed superannuation, will be taken into account when evaluating a taxpayer's entitlement to a number of benefits, including the superannuation co-contribution, the Baby Bonus, and dependant tax offsets, as well as various liabilities, such as the Medicare Levy Surcharge and child support.

Contributions received by the super fund on or before 30 June 2009 will be assessed against the existing concessional contribution caps, and will not be included in 'adjusted taxable income'.

Super co-contribution reminder

You may be entitled to the super co-contribution of up to \$1,500 a year for personal (after-tax) superannuation contributions that you made during the year that you do not claim as a tax deduction. The Government will pay \$1.50 for every \$1 you contribute, up to a maximum co-contribution of \$1,500 a year. The maximum co-contribution applies if your total income is \$30,342 or less (Your total income is your assessable income plus reportable fringe benefits). If you have income from carrying on a business, your business expenses are deducted from your total income for working out the amount of the co-contribution. The maximum co-contribution you could receive is reduced by 5 cents for every dollar if your total income is above \$30,342 and phases out at \$60,342.

You must also earn 10% or more of your total income from employment, carrying on a business, or a combination of both.

From 1 July 2009, the co-contribution matching rate will be reduced from 150% to 100% (i.e., the maximum co-contribution will be \$1,000).

Reminder - Education Tax Refund

Eligible families will be able to claim a 50% refund every year (through their tax return) for key education expenses up to:

- q \$750 for each child undertaking primary studies (maximum refund of \$375 per child, per year); and
- q \$1,500 for each child undertaking secondary studies (maximum refund of \$750 per child, per year).

The Education Tax Refund will apply to some of the common back-to-school items, including:

- u laptops, home computers & related costs
- u home internet connections;
- u printers and education software;
- u trade tools for use at school;
- u school text books; and stationery.

Who is eligible?

Parents entitled to FTB Part A for children in primary or secondary school for the relevant financial year are eligible for the Education Tax Refund, as well as parents who would be eligible, but for the fact that the child receives

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certain payments or allowances, such as Youth Allowance, Disability Support Pension, and ABSTUDY Living Allowance.

Small Business Tax Break Boost

There has been a lot of confusion in the marketplace concerning this matter and we thought it best to clarify a few points.

The Small Business and General Business Tax Break has been increased to 50% for small business entities (or SBEs) – i.e., basically small businesses with an annual turnover of less than \$2 million.

A deduction of 50% (instead of the 30% or 10% deduction) will be available to SBEs that order an eligible asset between 13 December 2008 and 31 December 2009, and install it ready for use by 31 December 2010.

Provided all of the eligibility criteria are satisfied for the income year, the tax break can be claimed as a tax deduction in the income tax return for the income year in which you first use the asset or have it installed ready for use.

So, even though the 50% deduction may be available for assets purchased after 30 June 2009, it can only be claimed in the 2009 tax return if the asset is used or ready for use by 30 June 2009 (otherwise, it may still be claimed, but in a future tax return).

The following table summarises the key dates relating to the different rates.

Business entity	Investment commitment time (inclusive)	Date of first use or installed ready for use (inclusive)	Rate
Small business	13 Dec 2008 to 31 Dec 2009	By 31 Dec 2010	50%
Other business	13 Dec 2008 to 30 June 2009	By 30 June 2010	30%
	1 July 2009 to 31 Dec 2009	By 31 December 2010	10%
	13 Dec 2008 to 30 June 2009	1 July 2010 to 31 December 2010	10%

June 2009 Activity Statements

Just remember – these are due for lodgement by 28th July 2009 – Make sure your bring in your data AS SOON AS POSSIBLE after 30 June.

**2008/2009 YEAR-END CHECKLIST FOR BUSINESS – READ THIS BEFORE YOU
SEND ALL YOUR WORK IN. IT WILL SAVE YOU AND US A LOT OF TIME!**

- q If you have computerised records, ensure:
 - All bank accounts are included in your data and that all bank account balances in your data reconcile with your bank statement balance.
 - If you have a debtors and creditors system, make sure that the listing of debtors and creditors equals the amounts shown in the balance sheet produced by your data.
 - If you are using an inventory system, ensure that your inventory list verifies with the balance sheet.
 - Make sure that your GST system in your computerised accounts has been operating correctly to ensure that your GST in your computerised accounts equals that GST shown in your Business Activity Statements
- q If you have a manual cashbook, ensure:
 - All cashbooks are up to date and include all details for deposits and payments
 - Cashbook details also include all GST breakdowns for the full year
- ✓ All cheque butts and deposit books have details, INCLUDING the amount of GST for each transaction.
- q All cheque butts, deposit books and bank statements have been sent to our office for the full financial year.
- ✓ Additional bank statements for loan accounts have been sent for the full financial year. If you realise that you do not have statements from 1 July 2008 to 30 June 2009, please contact your bank immediately for details.
- ✓ All wages reconcile with your Pay as You Go group records – that is, your gross wages and the taxes deducted equal the net wages paid to your employees. If you prepare your own PAYG Payment Summaries, please send us copies of:
 - PAYG Employers reconciliation
 - PAYG Payment Summaries
- q If you had contractor payments, of which Pay As You Go tax was withheld, please send the same information as the wages.
- q If our office prepares your group certificates, please send:
 - Wages/Contractors books for the year
 - Copies of your Business Activity Statements which show the gross wages and Pay As You Go Tax withheld from wages/contractors
- ✓ Listing of Debtors (ie customers that owe you money) as at 30 June 2009
- ✓ Listing of Creditors (ie money that you owe suppliers accounts) as at 30 June 2009
- ✓ **Perform a stocktake on 30 June 2009 (amount should exclude GST). Please ensure that this is performed!**
- q Any new finance arrangements of plant, fitting, vehicles etc are forwarded to us, including:
 - Loan
 - Lease
 - Hire Purchase/Chattel Mortgage
- q Sale/Trade in documents of old assets
- ✓ If you are claiming a business use percentage of your motor vehicle, ensure that you have a valid log book (ie it is not older than 5 years)
- q If you have an investment property, provide the following details:
 - If the property was purchased or sold during the year, provide purchase/sale documentation
 - Details of all income and expenditure for the year ended 30 June 2009
 - If you had a property agent, provide a copy of the periodic and yearly summary of the Property Management Statement
 - Listing of all expenses paid in addition to those shown on the Property Management Statement
- ✓ Details of sale of any property, shares or other investments for the year
- ✓ **ON A PERSONAL NOTE.....**
 - ✓ Remember to include expenses for the **Education Tax Refund**
 - ✓ Please provide details of your health fund

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