

PALMER & ASSOCIATES

CERTIFIED PRACTISING ACCOUNTANTS

May, 2015

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Hello,

Our philosophy at Palmer & Associates is to provide you with forward thinking accounting to assist you in achieving your personal, business and retirement goals. Our team will help you to be proactive rather than reactive in relation to all your taxation matters.

In the following pages we have compiled some general information for you in relation to the recent Federal Budget. Please do not hesitate to contact us if you require further information regarding the content of this newsletter and how it may impact you.

Regards

Lloyd & the Team



NEW ARRIVALS

Exciting News



On the 23rd January 2015, Natasha welcomed baby Orlando into the world. Weighing in at 4.07kgs with a mop of black hair and the cutest sideburns, we think he is the most adorable baby boy ever!



Have you met our new team member?

We would like to welcome Leigh Cooke to Palmer & Associates.

Leigh is a Graduate Accountant and is already proving to be a great asset to the firm.



2015 / 2016 FEDERAL BUDGET UPDATE

The latest budget to be released by the government has provided good news for small business.

The government is hoping to boost confidence and grow business in order to stimulate the economy and it recognises that small business is critical to Australia's prosperity.

Small Business - The Winners

From 01 July 2015, the incorporated small business with an annual turnover of less than \$2 million will pay 1.5 per cent less in tax, reducing tax to 28.5 per cent.

For the unincorporated small business, such as sole traders, partnerships and trusts with a turnover of less than \$2 million, they will receive a 5 per cent tax discount capped at \$1,000 per year.

The other good news for small business is the immediate tax deduction for assets costing up to \$20,000, purchased from budget night until 30 June 2017. Assets above \$20,000 can be pooled

and depreciated at 15 per cent for the first year and 30 per cent every year thereafter. Currently the threshold sits at \$1,000.

Another bonus as of 01 July 2016: small business will be allowed to change legal structure without attracting Capital Gains Liability, provided the owners remain the same. In other words, a small business may initially choose a legal structure that might not suit them as the business becomes more established. If this is the case, they can then rollover to a different structure without attracting a capital gains event.

Modernising the Car Expense Claim Methods

From the 2015/16 income year, the government will modernise the methods of calculating work-related car expense deductions:

- The '12 per cent of original value method' and the 'one-third of actual expenses method' will be removed.
- The 'cents per kilometre method' will be updated, implementing one set rate at 66 cents per kilometre instead of the three current rates based on engine size.

Deduction for Professional Expenses upon Starting a New Business

From 01 July 2015, businesses will be allowed to claim an immediate write-off for a range of professional expenses associated with starting a new business, including professional, legal and accounting advice.

Currently, some of the professional costs associated with starting a new business are deducted over a five year period.

Our aim is to provide relevant information to inform and help create opportunities for our clients. Please note: many of the comments in this publication are general in nature and anyone intending to apply the information to practical circumstances should seek professional advice to independently verify their interpretation of the information's applicability to their particular circumstances. If you require further information regarding the contents of this newsletter please do not hesitate to contact our office.

TAX PLANNING

With the end of financial year fast approaching, now is the time to ensure that your tax affairs are in order. If any of the following events occurred during the 2015 financial year, you could be facing a significant change in your taxation for the year:

- A sale of an investment including shares and rental properties
- The leasing out of an investment property for the first time
- You are approaching 55 years of age and/or considering retirement
- You are starting up or considering to start up a new business
- You are considering starting up a Self-Managed Superannuation Fund
- Investing a sizeable amount in your business
- Your business is exceeding expectations possibly meaning a sizeable tax bill at year end

If you are looking for ways to lower your tax this financial year or you simply want to ensure that you receive no nasty surprises from the ATO, please give us a call to discuss some of the tax planning opportunities we have available.

Are you ready for Super Stream?

Now is the time for self-managed super fund trustees to ensure they are SuperStream ready.

From 1 July 2015, employers with 19 or fewer employees will start sending SuperStream contributions electronically to all super funds, including SMSFs. Employers with 20 or more employers are already using SuperStream, although they have until 30 June 2015 to finalise their implementation.

All SMSF trustees must be able to receive super contribution payments and information sent using SuperStream when their employer starts using SuperStream. To be able to do this, each SMSF member will need to provide the SMSF's ABN, bank account and electronic service address (ESA) to their employer.

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