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UTA Administration

We are pleased to introduce the newest member of our team, Paula Dark. Paula takes on the role of Assistant Accountant working in conjunction with Chris Peris in the preparation of Business Accounts, Tax Returns and related matters.

Paula is an Assistant Accountant with 28 years industry experience including positions such as Senior Accounts Officer and Finance Manager. During this time she has worked for firms which include CSR, Monier and Brisbane Airport Corporation.

Paula has completed an Advanced Diploma of Accounting and is currently studying a Masters of Commerce to be a PNA. She is an Associate Member of the National Institute of Accountants. In addition to extensive experience in software packages such as Quickbooks, MYOB and Handisoft, Paula has also trained clients on MYOB.

Henry Review

Set out below is an overview of the Henry Tax recommendations for your information. With the Government only implementing 4 of the 138 recommendations, it is most likely safe to say that we probably haven't heard the last of the Henry Review. In summary, some of the changes that may affect you are as follows:

1. Superannuation – Compulsory Contribution

If you are an employee the contribution your employer puts into Superannuation will increase to 9.25% in the year 2013 – 2014. In the year 2014 – 2015 this will then increase again to 9.50% and then progressively rises by a half percent each year until the rate is 12% by the year 2019-2020. Also, if you turn 70 after 1st July 2013 your employer will now have to contribute your superannuation guarantee levy until you are 75.

2. Superannuation – Deductible Limits

Taxable contributions for people aged 50 will continue to be available up to a contribution limit of \$50,000. This limit will however be reduced to \$25,000 (The same limit as those under 50 years of age) for people with individual superannuation balances over \$500,000 in the applicable income year.

3. Small Business – Company Tax and Depreciation Rates

From the year 2011 – 2012 the company tax rate for small businesses (under \$2million in turnover) will decrease to 28% from the current 30%. For businesses with over \$2million turnover, the rate will also be reduced to 28% from the current 30%, but this will occur progressively in 1% decreases from 2013-2014 with a company rate being 28% for larger business by the 2014-2015 year.

For asset purchases, which are under \$5,000 for small businesses, there will be an immediate write off of 100% depreciation. Asset purchases for small businesses over \$5,000 can be depreciated at 30% per annum. Although not completely clear the small business definition we believe means that these benefits will apply for companies with a turnover of under \$2M.

4. Property Investors

Although the Henry Review made recommendations in relation to changes to Negative Gearing and Capital Gains Tax, which would have been detrimental, the government has outright rejected these at present. In addition to this the Government also rejected any changes to existing Stamp Duty and Land Tax Regime. This means that current laws in place for Negative Gearing will continue unchanged which is good news for Property Investors.

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 and the information's applicability to their particular circumstances.