

NEWSLETTER

JUNE 2012

National Business Name Registration

The **new national business names regime commenced on 28 May 2012.**

ASIC (Australian Securities & Investment Commission) will administer all new and existing business name registrations, replacing the current state and territory systems.

The new service will reduce the cost of registering a business name in most state and territories and streamline many of the processes involved in registering and renewing a business name. The cost for registering a national business name will be \$30 for one year or \$70 for three years. If your business name is already registered in at least one state or territory, your information will automatically transfer to the new national register.

If you have identical business names registered in more than one state you can choose to keep only one business name registered. You will also be able to align multiple different business names registrations to a common renewal date to make compliance easier.



For more information or to check your business name details online go to www.asic.gov.au and select the Business names tab.

Maximise depreciation deductions in 2013 year

Currently small business assets costing less than \$1000 (ex GST) can be fully depreciated in year of purchase. However, for larger items you may consider deferring the purchase date until after 30 June 2012 as the **threshold for immediate deduction will increase to \$6,500 from 1 July 2012.**

You may also consider deferring a new car purchase until after 1 July 2012 to take advantage of an **immediate deduction for the first \$5000** of the cost of the vehicle acquired for business use in 2012-13 year.



30th June 2012 Tips



- **Pay any superannuation contributions** so your fund can process it before 30th June. Don't forget contributions limits - 25,000 if less than 50 years of age as at 30 June 2012 \$50,000 aged 50 or more as at 30 June 2012.
- **Consider Superannuation Co-Contribution** - from 1 July 2012 the maximum co-contribution will be halved to \$500.

- Review who owes you money and **write off Bad Debts** before 30 June 2012.
- **Stocktake** - make a list of materials and goods on hand and the cost value.
- **Bills you Owe**—check you have included all unpaid bills as at 30 June 2012 in your accounting records .
- **Review plant & equipment** for obsolete and/or damaged items no longer being used and write off.
- **Document trust income distribution resolutions**

Important Dates:

- 30 June - end of financial year;
- 14 July - PAYG Payment Summaries issued to employees;
- 21 July - Employer Superannuation Payments for April to June Quarter; and Monthly BAS lodgment ;
- 28 July - June Quarter BAS lodgment for paper returns and PAYG Installments due.
- 14 August - PAYG withholding payment Summary Annual Report—final date for lodgment

New Tax Rates from 1 July 2012 won't deliver savings to many Taxpayers

The benefits of the increased tax-free threshold will be progressively reduced by increasing the current 15 per cent marginal tax rate to 19 per cent, and the 30 per cent marginal tax rate to 32.5 per cent from the 2012-13 tax year. A comparison of the marginal tax rates (excluding the Medicare Levy and Flood Levy) for the 2011-12 and 2012-13 tax years shows when combined with changes to the low income tax

offset it is anticipated that individuals will save up to \$600 tax when they earn less than \$20,000, \$303 tax when they earn less than \$65,000 and \$3 tax when earning in excess of \$80,000.



From 1 July 2012

Taxable Income Range	Tax	Excess %
0 - 18,200	\$ -	0.00%
18,201-37,000	\$ -	19.00%
37,001-80,000	\$ 3,572.00	32.50%
80,001-180,000	\$ 17,547.00	37.00%
180,000+	\$ 54,547.00	45.00%

To find out how much you are affected visit www.taxcalc.com.au

Excess Medical Expenses

From 1 July 2012, for people with adjusted taxable income above the Medicare levy surcharge thresholds, the offset threshold is to be increased to \$5,000 (indexed annually thereafter) and the rate of reimbursement will be reduced to 10% for eligible out of pocket expenses incurred.

The current Medicare Levy Surcharge annual adjusted income threshold is

\$84,000 for singles and \$168,000 for families.

Adjusted taxable income includes amounts salary sacrificed to super, reportable fringe benefits, investment losses (eg negatively geared rental property losses).

Taxpayers with adjusted taxable income below the surcharge thresholds will be unaffected by this measure.



ATO taxable payments annual reporting – Building & Construction Industry

From the 1st July 2012 businesses in the building and construction industry need to report the total payments they make to each contractor for building and construction services each year. The ATO have issued a specific form (see our website for a sample of the form).

Basically the report will contain the contractors name, ABN, contact

telephone number, address, gross amount paid (inc GST) and GST included in gross payment, for every contractor paid during the year.

The classification of building and construction services includes a broad range of activities performed on, or in relation to, any part of a building, structure, works, surface or sub-surface.



A contractor can be an individual, partnership, company or trust. The annual report will be due on 21 July each year and can be lodged online or on paper.

It will be very important to keep your bookkeeping up to date and necessary to ensure all your contractors show labour and materials separately on their invoices from 1 July 2012.

The ATO has indicated the report will be used for data matching to contractors tax returns.

For more information see our website www.oneononeaccountants.com.au or call Liz or Jane on 9783 7726.