



Newsletter – Issue 21, December 2015



SEASON'S GREETINGS

We wish you and your family a very Merry Christmas and a Prosperous 2016.

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OFFICE CLOSURE

Our office will close from 1.00pm on Wednesday, 23rd December 2015 and re-opens for business on Monday, 11th January 2016.

IMMEDIATE DEPRECIATION WRITE-OFF FOR SME'S

An eligible small business (turnover under \$2 million) can claim an immediate deduction for capital expenditure where that cost is less than \$20,000.

The increased threshold of \$20,000 applies to assets first acquired on or after 7.30pm on 12 May 2015 (Budget night), and first used or installed ready for use on or before 30 June 2017.

From 1 July 2017 the immediate deduction threshold reverts to the \$1,000.

REDUCTION IN COMPANY TAX RATE

From 1 July 2015 a two-tier company tax system applies:-

- **28.5%** tax rate for company's with aggregated turnover below \$2 million (i.e. a small business entity)
- **30%** tax rate for company's with aggregated turnover equal to or above \$2 million.

Disclaimer: This is not advice. Clients should not act solely on the basis of the material contained in this Bulletin. Items herein are general comments only and do not constitute or convey advice per se. Also changes in legislation may occur quickly. We therefore recommend that our formal advice be sought before acting in any of the areas. The Bulletin is issued as a helpful guide to clients and for their private information. Therefore it should be regarded as confidential and not be made available to any person without our prior approval.

DEPRECIATION FOR FARMERS

From 12 May 2015 farmers can claim:-

- An immediate deduction for expenditure on **water facilities** and **fencing**,
- The cost of **fodder storage** assets over 3 years (previously 50 years).

Note: farmers with turnover of less than \$2 million qualify as a small business and are therefore also eligible to immediately write-off all assets purchases up to \$20,000.

BUILDERS AND CONTRACTORS ANNUAL PAYMENT REPORT

The ATO has updated an information sheet on the Builders' and Contractors' Taxable Payments Annual Report. For the 2016 tax year the report is due to be lodged by 28 August 2016.

Builders need to report payments they make to contractors for building and construction services.

Reference: ato.gov.au/Business/Key Links/Building and construction/Taxable payments reporting

OUR WEBSITE

Our website has tools, business and tax articles. You can access these by logging onto www.mcnamaraca.com.au

User Name: Mcnamaraca
Password: Maitland09

Tools on our website that you may use are:-

- Tax Facts (*includes thresholds*)
- Business Links (*handy website links*)
- Business Calculators (*includes Loan repayments calcs, Days between dates, Finance lease, Hire purchase, Annual leave, Long service leave & Foreign currency converter*)
- Business Articles & Services
 - Monthly Tax Updates
 - Business Management
 - Workplace & Employment Law
 - Business Services
 - Asset Protection & Structuring
 - Superannuation & Estate Planning
 - Insolvency & Business Recovery