



Newsletter – Issue 22, December 2016



SEASON'S GREETINGS

We wish you and your family a very Merry Christmas and a Prosperous 2017.

CONTENTS

- Office Closure over the Festive Break
- Reduction in Individual Tax Rates
- Xero Training
- \$20,000 Asset Immediate Write-Off Ceases
- Superannuation limit is law
- Residential rental is still new and subject to GST
- Our Website

OFFICE CLOSURE

Our office will close from Midday on Friday, 23rd December 2016 and will re-open for business on Monday, 9th January 2017.

REDUCTION IN INDIVIDUAL TAX RATE

From 1 July 2016 the 37% tax rate will apply when an individual's taxable income reaches \$87,000 which is an increase from the current \$80,000. This results in a maximum tax savings of \$315. PAYGW deduction rates need to be adjusted from 1 July 2017.

The adult resident tax rates from 1 July 2017 are:-

Taxable Income	Tax Payable
\$0 - \$18,200	\$0
\$18,201 - \$37,000	19% for amounts over \$18,200
\$37,001 - \$87,000	\$3,572 + 32.5% of amounts over \$37,000
\$87,001 - \$180,000	\$19,822 + 37% of amounts over \$87,000
Over \$180,001	\$54,232 + 45% of amounts over \$180,000
Plus Medicare Levy @ 2% of Taxable Income	

XERO TRAINING

We have organised Xero training for 4pm on 1 February 2017 at East Maitland Bowling Club. Register your interest by email to vanessa@mcnamaraca.com.au

\$20,000 ASSET IMMEDIATE WRITE-OFF CEASES

The small business "SME" (turnover under \$2 million) claim for an immediate deduction of capital expenditure where the cost is less than \$20,000 ceases on 30 June 2017.

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

SUPERANNUATION LIMIT IS LAW

From 1 July 2017 there will be a \$1.6m limit that an individual can have in the tax-free earnings retirement phase. Earnings on superannuation balances above \$1.6m will be taxed at 15%.

There is an opportunity before 1 July 2017 where one spouse's superannuation balance is above the \$1.6m limit to split / transfer some of the excess superannuation balance to a spouse whose superannuation balance is below the \$1.6m. If this is your circumstance you should consult your financial advisor.

RESIDENTIAL RENTED PROPERTY SUBJECT TO GST

Generally no GST is payable on a property that is not NEW. In a recent case there was GST payable on the sale of 4 units that were sold more than 5 years after they were built because the properties were vacant during a period of the initial 5 years after construction while they were attempted to be sold. As the properties were not used only for input taxed supplies (i.e. residential renting) for a period of at least 5 years they were regarded as NEW and subject to GST on sale..

OUR WEBSITE

We have updated our website at www.mcnamaraca.com.au so it is easier to access and to navigate. The need for a password has been removed.