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**Our Website**  
[www.vbatax.com](http://www.vbatax.com)

**Quote:**

**80% of time spent, on 20% of  
activities, produces 80% of results**

## Have you done your 2010 Income Tax Return?

If you have not made an appointment or dropped your documents in for us to process your 2010 Income Tax Return we suggest that you do so at your earliest convenience.

Book your appointment by calling us on 5479 5499.

## Tax Due Dates

March 2011 Quarter has just ended. Please organise your documents and data for this quarter so that we can process your BAS by the due date of 28<sup>th</sup> April 2011

**CPI**  
**(Consumer Price Index)**  
Rate for Dec 2010 – 174.0

**Website**  
**Have you looked at our  
website recently?**  
**Check it out here**



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## Tax Planning TIPS for 30 June

### 1. Contribute to super by 30 June

Concessional super contributions are limited to:

- \$25,000 for workers below 50 years of age
- \$50,000 for workers 50 years and over

### 2. Defer income and bring forward business expenses

Consider your estimated taxable position for the year ending ahead. Can you bring forward expenses which would otherwise be paid or incurred after 30 June? Can you defer deriving income which would otherwise be derived before 30 June?

### 3. Are you eligible for the SBE concessions?

Are you carrying on a business and your aggregate turnover is less than \$2 million? If yes, you may be considered to be an SBE and be eligible to access all small business tax concessions, including simplified depreciation rules to assist with streamlining compliance for small businesses.

### 4. Prepay expenses

Most businesses must apportion the deduction for prepaid expenses over the period the expenditure relates to. However, individual non-business and SBE taxpayers can prepay some expenses up to 12 months in advance and receive an upfront tax deduction on these prepayments.

### 5. Bad debts

Ensure you review all debts before 30 June 2010. Applicable for businesses which recognise income on an accruals basis (ie. not cash basis), bad debt expenses can be claimed as a tax deduction only if they are "bad" and written off. Effectively for 30 June, to claim bad debt expenses, the amount would have been previously recognised as assessable income and a commercial judgment has been made to substantiate the write-off.

Examples provided by the Australian Taxation Office (ATO) where a debt will be a "bad debt" include the debtor cannot be traced, the debtor company is in liquidation or receivership, there is little or no likelihood of the debt, or the part of the debt, being recovered. Reminder and formal demand notices served on the debtor as well as a record of follow up calls made indicate you would have taken steps to recover the debt.

### 6. Trading stock

Assess your valuation methodology of either the lower of cost, market value or replacement. It is important to run an inventory report at 30 June as this will substantiate your financial accounts.

Identify any obsolete stock as a special valuation rule may apply. Ensure you scrap unwanted stock by 30 June 2010 and account for these write offs. Small business entity taxpayers do not undertake a stock valuation if the difference between opening and closing value is less than \$5,000.

### 7. Directors' and Employees' Entitlements

Conduct shareholders' meetings before 30 June to approve directors' fees to get deductions for year

With regards to arrangements for employee bonuses based on results, ensure these are improved by Directors and are in place before 30 June with employees notified of the bonuses due and owing.

## Centrelink and the Economic Downtown

If your family income has decreased, you may be eligible for family assistance.

### Family Tax Benefit Part A

Basic conditions need to be met to qualify – you must:

- Have a dependant child aged under 16;
- Have a dependant child aged 16-20 years who has completed a year 12 equivalent qualification or who is undertaking full time education or training;
- Have a dependent full time student aged 21 -24 years;
- Have care of a child for 35% of time;
- Meet residential requirements;
- Have income under a certain amount. (amount varies depending on number and age of children)

A child or student cannot be a dependent if they are:

- Receiving a pension or benefit (Youth Allowance);
- Aged 5 to 15, not studying full-time and their annual income is \$13,010 or more;
- Aged 16 to 24 and their annual income is \$13,010 or more or receiving ABSTUDY.

### Residential Requirements

You must have legal residence status and be residing in Australia on a permanent basis.

To have legal residence status for the purpose of Family Assistance payments you must be:

- An Australian citizen, or
- The holder of a permanent visa, or
- A New Zealand citizen who arrived on a New Zealand passport, or
- The holder of certain temporary visas.

### Rates of Payment & Income Limits

Depending on your individual circumstances, your family income may be \$45,114 a year before your payment is reduced.

Generally, if your income is above \$45,114 a year, your payment will reduce by 20 cents for each dollar above \$45,114 until your payment reaches the base rate of Family Tax Benefit

[Part A \(see table\)](#)

# SMSF



## Company Trustee vs Individual Trustees

**Selecting the right type of trustee is an important step in establishing a Self Managed Superannuation Fund (SMSF).**

There is no right or wrong answer as what may suit you may not suit your neighbour! So it is important to look at your options and make an informed decision that is right for you! It is also important to note that you can change the trustee of your fund if needed in the future.

[Read More](#)