



Building  
better  
businesses  
locally

PHONE 03 5783 3440 FAX 03 5783 3441 EMAIL [hbs@harrisbussol.com.au](mailto:hbs@harrisbussol.com.au)

Dear Client

#### **ATO Refund Processing Update**

The ATO are processing 77% of individual's electronic returns within 14 days. As there are more cross-checks with Centrelink and Child Support Agency, and also more risk checks for fraudulent claims, processing is taking longer than anticipated for some returns. For more information please refer to the [ATO press release](#).

#### **Extension of Small Business Assistance Package**

The Tax Office will extend the Small Business Assistance Package, which was originally intended to expire on 30 June 2010, until 30 June 2011. The extension of the Small Business Assistance Package will mean that eligible businesses with a turnover of \$2 million or less will continue to have access to:

- a 12 month general interest charge free payment arrangement with the Tax Office; and
- a deferral of activity statement payment due dates.

#### **FREE promotion of your business on the internet**

Business owners / Sole traders please note you are welcome to promote your business on our website free of charge. [Click here](#) to promote your business now. We will also be promoting each of our listed clients in one of our newsletters.

#### **ATO focus on the cash economy**

The ATO has released its Compliance program for 2010/11, which outlines the areas that are concerning them, including the cash economy. The ATO is concerned about the deliberate under reporting or non-reporting of income that results from businesses using cash transactions to hide income and evade taxation obligations, including:

- skimming some or all of the cash transactions;
- running some business activities off the books;
- paying cash in hand wages (which are then not reported);
- avoiding obligations by not registering or lodging BAS and income tax returns; or
- not reporting exchange of goods or services.

The Government recently allocated \$107.9 million over four years to support additional work in relation to the cash economy,

which is expected to result in an additional \$491.8 million in revenue over four years.

### **MYOB \$20K Business Grant**

If you 'love your work' and can answer the following two questions, enter MYOB's competition to win a \$20 000 business grant.

1. What are you passionate about?
2. How would you spend \$20 000 to develop your business?

Visit the [MYOB website](#) to enter.

### **Super co-contributions update**

The ATO has advised that they have begun paying delayed super co-contribution entitlements, with interest where applicable. If a payment has been delayed, the account-holder does not need to do anything. Interest will be paid as an additional super co-contribution amount where the ATO has delayed payment for more than 60 days. After July, they will start reviewing all interest entitlements on super co-contributions and, if required, pay top-up amounts on accounts impacted by processing delays.

Don't know what the Super co-contribution is, or curious whether you qualify for the \$1000 contribution towards your Super? [Contact us](#).

### **Is your Super sufficient?**

If you are interested in potential projections of your Super Fund please access our [online calculators](#) to see if you are putting enough away for a rainy day!

### **Paid parental leave Bills become law**

Legislation for the Paid Parental Leave scheme has been passed by Parliament. From 1 January 2011, the scheme will provide eligible working parents with 18 weeks of Parental Leave Pay at the National Minimum Wage, currently \$570 a week before tax. Parents and employers can find out more about the scheme, its eligibility requirements and how it will operate at [www.familyassist.gov.au](http://www.familyassist.gov.au).

### **SMSFs acquiring employee shares**

The ATO has warned that nominating an SMSF as the acquirer of shares or options from an employee share scheme can have serious tax and superannuation consequences:

- For the individual who has nominated their SMSF, there can be penalties if the discount on the shares and options isn't accounted for in their tax return; and
- For the SMSF, acquiring an asset from a related party can put the fund at risk of being made non-compliant and taxed at 45%.

In addition, trustees of SMSFs who intentionally acquired shares or options from related parties contrary to the superannuation law may face up to one year in jail.

### **Considering a Self Managed Super Fund?**

Interested in whether a Self Managed Super Fund is for you? We can refer you to a [financial advisor](#) that can consult with you in our offices and help you 'plan for a better tomorrow'.

### **Deductions perhaps you didn't know about!**

The reasonable amount for overtime meal allowance expenses for 2010/11, where an allowance is paid under an award, order, determination, industrial agreement or a Commonwealth, State or Territory law, is \$25.80 per meal. This is the deduction you

can reasonably claim against each overtime meal allowance on your PAYG Summary.

Premiums paid for Income Protection Insurance are deductible. This kind of insurance replaces a percentage of your salary if through sickness or accident you are unable to work. If you are in a position where you are the main/only income earner and you have a mortgage we would strongly recommend you investigate this.

### First home saver accounts – rates and thresholds

Various aspects of the first home saver accounts have been changed as a result of indexation.

- **Account balance cap**

There is an overall account balance cap on first home saver accounts, which is indexed periodically in \$5,000 increments.

Income year	Account balance cap
2009/10	\$75,000
2010/11	\$80,000

- **Maximum annual government contribution**

The government will make a contribution equal to 17% of the account holder's personal contributions for the financial year, up to a maximum that is based on a periodically indexed contribution threshold.

Income year	Contribution threshold	Maximum government contribution
2009/10	\$5,000	\$850
2010/11	\$5,500	\$935

Wanting some help with saving for your first home? Check out our [online calculators](#) that will dissect your household spending and advise where savings could be made.

Need a mortgage broker? We recommend [Lion Home Loans](#).

Want to see some particular tax topic/tip mentioned here? Please [contact us](#) with your request, we are more than happy to oblige.

Regards  
The HBS Team  
Kathryn, Allison, Connie, Lyn and Nikki

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.

PO Box 512, Wallan VIC 3756, Australia



## Want a secure financial future?

We're pleased to have a relationship with Browell's Financial Solutions - a specialist financial planning firm that have been operating throughout central Victoria for over 20 years.

Browell's Financial Solutions provide advice in all areas of financial planning, including investments, wealth accumulation, superannuation (including Self Managed Super Funds), retirement planning, life insurance and income protection.

One of Browell's senior financial planners, Damian Liddell, meets regularly with our clients in both our Wallan and Kilmore offices. The positive feedback we have received from clients that have already benefited from Damian's friendly and professional advice has been overwhelmingly.

If you want a secure financial future, take advantage of the complimentary appointment Browell's Financial Solutions are offering all Harris Business Solutions clients. Just let us know and we'll organise an appointment for you or contact Browell's Financial Solutions directly on 5441 7778.



[www.browells.com.au](http://www.browells.com.au)