



Shanahan Swaffield Partners
Accounting + Taxation + Auditing

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Our Office Hours

Rockhampton

Mon - Fri - 8.30am to 5.00pm

Biloela

13 July to 26 Aug - Mon - Wed - 8.30am to 5.00pm
Sept to June - Mon 8.30am to 5.00pm

Yeppoon

Mon - Fri - 9.00am - 4.00pm

Yeppoon Office now open 5 days

New Non-Commercial Loss rules for High Income Earners

Parliament introduced legislation tightening the non-commercial loss rules for taxpayers with adjusted taxable incomes of \$250,000 or more.

The Assistant Treasurer stated that these new rules will generally mean that taxpayers, with an adjusted taxable income of \$250,000 or more, will not be able to claim losses from non-commercial business activities against their other income.

Just for a Laugh.....

Ed was in trouble. He forgot his wedding anniversary and his wife was really angry. She told him: 'Tomorrow morning, I expect to find a gift in the driveway that goes from 0 to 200 in less than six seconds - and it better be there!'

The next morning Ed got up early and left for work. When his wife woke up she looked out the window and sure enough there was a box, gift-wrapped, in the driveway. Confused, the wife ran out and brought it in. On opening it, she found a set of bathroom scales.

Ed's been missing since Friday.

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Ongoing problems with contractors v employees: ATO views

The ATO has recently highlighted an issue they believe has been on the increase. It concerns treating workers as contractors. This can be an attractive proposition to employers as it can reduce their costs, especially at a time when there is a high focus on costs. The ATO considers that many employers seem to be increasingly embracing this to cut costs like workers compensation, payroll tax and super guarantee. They can also negotiate pay rates outside of normal wages and conditions and do not withhold tax.

In order to help businesses, the ATO has developed an online decision support system to assist businesses in making the correct decision as to whether a worker should be treated as an employee or contractor for tax and superannuation purposes.

The ATO view is that evidence suggests the current tighter economic conditions have increased the prevalence of such arrangements as more businesses feel the need to cut costs, and it believes labour market conditions can make employees more vulnerable to these practices.

The ATO says its response is not retrospective, but is designed to ensure employers comply in the future. In these cases, the ATO would visit the business and review its employment arrangements and if found that the workers were actually employees, would explain the employers' responsibilities to withhold under PAYG and to pay super for their workers, and make clear its expectation that they comply into the future.

Investment Allowance & Tax Break UPDATE!!

For Primary Producers - You may be eligible to claim a Tax Break on new sheds, fences and yards (if eligible for depreciation under Division 40-25) and ordered before 31 December 09.

Purchase under Chattel Mortgage Arrangement - If you use a Chattel Mortgage to purchase an eligible asset and meet all requirements then you may be able to claim the investment allowance even though you haven't paid for it. This depends on the type of Chattel Mortgage and if the finance arrangement cannot be terminated.

Who can claim the Tax Break - The Tax Break is claimed by the 'holder' of the asset - the following table identifies who is generally considered to be the 'holder' of an asset for depreciation and, therefore, Tax Break purposes

Description of Asset	"Holder" of the asset
Leased assets (not a luxury car)	The lessor (ie legal owner/the financier)
Leased luxury cars	The lessee (ie the taxpayer)
Assets under hire purchase	The hirer (ie the taxpayer)
Assets under chattel mortgage agreements	The mortgagor (ie the borrower/taxpayer)
Partnership assets	The partnership
Any other depreciating asset	The legal owner

Superannuation - Tax Ruling on Contributions

Many clients are unsure as to what constitutes a 'contribution' for Superannuation. Here is some information by way of guidance on the ATO's views regarding tax deductions for superannuation contributions.

"A contribution is made, and therefore able to be claimed as a tax deduction, when it is received by the fund"

- Cheques - a contribution by cheque is made when the cheque is received by the trustee of the fund, unless the cheque is subsequently dishonoured. However if the cheque is from a related party and is not presented for payment promptly, in the absence of extenuating circumstances, the contribution will be taken to have been made when the funds actually appear in the superfund account.
- Electronic Funds Transfer (EFT) - Where a contribution is made by EFT, the contribution will not be taken as having made until the amount is credited to the fund's bank account.
- Payment of Fund Expenses - Payments by an employer or fund member to a third party on behalf of a superannuation fund (eg payment of fund accounting fees) which are not reimbursed to the employer/member are regarded as contributions for tax and cap purposes. The contribution will be regarded as having been made when the expense payment is made, even if the amount is not treated as a contribution in the books of the fund.

Employers - Superannuation Due Dates Mark your diaries

2nd Quarter Pay before 28 January 2010

3rd Quarter Pay before 28 April 2010 4th Quarter Pay before 28 July 2010