

## Tax Time 2015

Welcome to our 2015 edition of Tax Time!

We hope this newsletter finds all of our clients and friends fit and healthy, and we look forward to catching up with you during 2015/16.

We have attached some frequently used tax rates and tables to assist you with your tax planning. We also include a summary of things affecting us in the 2014/15 financial year and some bits and pieces for the 2015/16 year and beyond.

### Things to consider for 2014/15

- Personal income tax rates have not changed, however the **Medicare levy is now 2%** effective from 1 July 2014.
- The Low Income Tax Offset remains at \$445 and when combined with the tax-free threshold of \$18,200 effectively means those eligible will not pay tax until their taxable income exceeds \$20,542.
- The Temporary Budget Repair levy of 2% for incomes over \$180,000 applies from 1 July 2014.
- Medical expenses tax offset is being phased out and is **only** available in 2014/15 if either:
  - You received this offset in 2012/13 **and** 2013/14, or
  - The medical expenses relate to disability aids, attendant care or aged care.

The threshold has been indexed to the CPI so that the threshold for 2014/15 is now

Singles (and no dependant children)	\$90,000 or less	Over \$90,000
Families (with spouse at 30 June or dependant child or children)	\$180,000* or less	Over \$180,000*
Expenses threshold	\$2,218	\$5,233
Rebate	20%	10%

\*plus \$1,500 for each child after the first.

After 1 July 2015 the medical expenses rebate will only be available for those taxpayers with disability aids, attendant care or aged care.

- Senior Australians eligible for the Senior Australian & Pensioners Tax Offset (SAPTO) will **not pay tax** on income up to **\$32,279** for singles and **\$28,974** each, for couples living together because of the combined effect of the Senior Australians Tax Offset and the Low Income Tax Offset. (The max offset for 2014/15 remains at \$2,230 for singles or \$1,602 for each couple).
- Dependant spouse tax offset is abolished from **1 July 2014**.
- Dependant (Invalid and Carer) Tax offset ("DICTO") is available for taxpayers who maintain a dependant who is unable to work. The maximum rebate for 2015 is \$2,535.
- The **Mature age workers tax offset (MAWTO)** is abolished **1 July 2014**.
- **Small business concessions:** Effective from 12 May 2015 until 30 June 2017, small businesses (those with sales less than \$2Mil) will be entitled to an immediate deduction for the purchase of all individual assets costing less than \$20,000. Assets \$20,000 and over can continue to be placed in a small business depreciation pool and depreciated at 15% in the first year and 30 % in each year thereafter. The pool can also be immediately deducted if the balance is less than \$20,000 during this period.

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Private Health Insurance Rebate and Medicare Levy Surcharge are as follows:

	No Change	Tier 1	Tier 2	Tier 3
<b>Singles</b>	\$ 90,000 or less	\$ 90,001 - \$105,000	\$105,001 - \$140,000	\$140,001 +
<b>Families</b>	\$180,000 or less	\$180,001 - \$210,000	\$210,001 - \$280,000	\$280,001 +
<b>REBATE</b>				
<b>Under 65</b>	29.04% (27.82%)	19.36% (18.547%)	9.68% (9.273%)	0%
<b>65 – 69</b>	33.88% (32.457%)	24.2% (23.184%)	14.52% (13.910%)	0%
<b>70 +</b>	38.72% (37.094%)	29.04% (27.82%)	19.36% (18.547%)	0%
<b>SURCHARGE</b>				
<b>Rates</b>	0%	1.0%	1.25%	1.5%
Percentage in brackets is the new rebate percentage effective from 1 April 2015.				

### Don't Forget

- To substantiate your expenses, you must retain all your receipts for five years from date of lodgement.
- Adding and summarising your income and expenses before your appointment will help us tremendously and save you time during our interview.

### New for 2015/16 and beyond

- **Small business concessions:** Effective from **1 July 2015**, small business **companies** (those with sales less than \$2Mil) will receive a tax cut of 1.5% to 28.5%.
- **Small business concessions:** Effective from **1 July 2015**, small business (those with sales less than \$2Mil) **non-corporate entities, ie sole traders, partnerships and trusts** will receive a 5% discount on tax relating to their business profits up to a maximum of \$1,000.
- **Small business concessions:** Effective from **1 April 2016**, small business (those with sales less than \$2Mil) that provide employees with more than one qualifying work-related portable electronic device will be exempt from FBT.
- **Work related car expenses** will be limited to only 2 methods, cents per kilometre method and the log book method. The 1/3 actual cost and 12% of original value methods will be scrapped and the cents per kilometre method fixed at 66c per kilometre regardless of engine size.
- The temporary budget deficit levy of 2% will continue until **30 June 2017** for taxpayers with taxable income over \$180,000.
- Fringe Benefits Tax (FBT) rate will increase temporarily from 47% to 49% from **1 April 2015** to **31 March 2017** to be consistent with the budget deficit levy.
- Family tax benefit part B primary earner income limit is reduced from \$150,000 down to \$100,000, effective **1 July 2015**.
- Superannuation concessional contribution cap for the 2015/16 year will be **\$30,000** for those aged **48 or under** on 30 June 2015. For those aged **49 or over** on 30 June 2015 the cap is **\$35,000**.
- Superannuation non-concessional contribution cap for the 2015/16 year will be \$180,000.

***Phone our office for an appointment today! (02) 4751 4091***

**Trading Hours for July to 30 November 2015 \*Note: Availability after 5pm by appointment only**

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
9.00 am – 8.30 pm	9.00 am – 5.30 pm	9.00 am – 5.30 pm	9.00 am – 8.30 pm	9.00 am – 5.30 pm	9.30 am – 3.00 pm
<b><u>After 30 November 2015</u></b> Monday to Friday 9:00 am to 5:00 pm					