

BTA Has New Look!

Well the summer has passed and at last the refurbishment of the BTA office is complete. With a new look and a fresh coat of paint the BTA team is ready to hit the ground running in preparation for the challenges that the lead up to the new financial year brings. If you are in the area drop in and visit.

With Dec 08 BAS's past and March 09 lodgements soon upon us, once Easter passes us it is time to look at tax planning time.

Remember April is a short month with Easter in the middle be wary of lodgement dates that will creep up.

The bTa difference – providing your point of view.

Warmest Regards

The BTA Team

Tax bonus payments to be made over six weeks

The ATO has advised tax agents that tax bonus payments will be paid progressively over six weeks, commencing from 6 April, for those who have lodged their 2008 income tax return by 31 March 2009.

Eligible taxpayers who lodged after the end of March 2009 can expect their tax bonus as a separate payment around four weeks after receipt of their refund or notice of assessment.

Please note that the tax bonus is tax free and will not be used by the ATO to offset any tax debts you may have.

Because of the large number of payments the ATO will be making, we have been advised not to call the ATO about the progress of individual payments until **after 16 May 2009**.

For those of you who have not yet lodged their 2008 income tax return, you have until 30 June 2009 to lodge in order to receive the tax bonus if you are eligible for it. We, therefore, request that you provide your information to us **no later than 31 May 2009**. We cannot guarantee that your return will be lodged if we receive information after this date.

GIC and SIC rates for April to June 2009

The ATO has advised that the General Interest Charge (GIC) and Shortfall Interest Charge (SIC) rates for the fourth quarter of the 2008 - 2009 financial year (ie 1 April 2009 to 30 June 2009) are as follows:

- GIC rate - 10.16 per cent
- SIC rate - 6.16 per cent

Investment Allowance: small business and general business tax break

The Government has announced an investment tax break for business.

The tax break, in the form of an investment allowance will provide:

- an additional tax deduction of 30 per cent of the cost of eligible new depreciating assets acquired under a contract, or started to be constructed, after 12.01am AEDT 13 December 2008 and before the end of June 2009 and installed ready for use by the end of June 2010.
- an additional tax deduction of 10 per cent of the cost of eligible new depreciating assets acquired under a contract, or started to be constructed, between 1 July 2009 and 31 December 2009 and installed ready for use by the end of December 2010.

New expenditure on existing assets may also qualify.

For both periods, small businesses will be able to claim the deduction for eligible assets costing \$1,000 or more. Small businesses must have a turnover of less than \$2 million a year to qualify.

For other businesses, a minimum expenditure threshold of \$10,000 applies.

Please note that the tax break will provide a bonus deduction rather than bringing forward normal deductions for an asset's decline in value. This means that, over time a taxpayer could effectively claim deductions of up to 130% of the asset's value.

The tax break will not impact upon balancing adjustment events. For example, the tax break will not affect the tax treatment of an asset upon disposal.

Education Tax Refund

The Education Tax Refund (ETR) is a new government initiative to help with the cost of educating primary and secondary school children. It means eligible parents, carers, legal guardians and independent students could get 50% back on some education expenses. This includes items like computers, educational software, textbooks and stationery.

Most people are eligible for the ETR because they receive Family Tax Benefit (FTB) Part A. However, there are some payments that prevent you from receiving FTB Part A, but which still entitle you to receive the refund. You can also claim the refund if you are an independent student.

You can claim the ETR each financial year for children in primary and/or secondary school, or if you are an independent student. You will be able to claim the refund from 1 July 2009 for the 2008/09 financial year. This means you can claim for items purchased from 1 July 2008. Remember to **keep your receipts** as they will help you calculate your entitlement and you may be required to produce them as proof of purchase.

You can claim the ETR even if you are not required to lodge a tax return.

To see if you are eligible please visit:

<http://www.educationtaxrefund.gov.au/am-i-eligible/>

Please note that only the recipient of the FTB Part A payment can claim the refund.

If you are required to lodge a 2009 tax return, the claim for ETR is made when the tax return is lodged.

If you are not required to lodge a tax return you can claim by lodging an *Education tax refund claim 2009* (NAT 72721). This form will be available from 1 July 2009.