Welcome
Melissa Fassbender’s role in administration support forms an integral part of the administration team, with a role as the main point of contact for the firm’s taxation office correspondence.

Welcome back: Joanna Pickles
We would like to welcome back Senior Tax Accountant Joanne Pickles to Shareena Flynn’s team. Joanne has been on maternity leave since the birth of her daughter Ruby.

Congratulations
To Shareena Flynn on her marriage to Jon Pearce on Sat 3rd March in Numurkah. Wedding plans had to be changed in the days prior due to the flooding in the area but everything went perfect for the ceremony and reception at the newly built Numurkah Recreation Reserve. Shareena and Jon travelled to Queensland with daughter Lexie for their honeymoon.

Congratulations
Metzke + Allen would like to congratulate Frank Metzke on celebrating his 70th Birthday on Monday 5th March.

New Business Name Registration Service
A new national business name registration service is expected to go live on 28 May 2012. Management of Victorian business name registrations will transfer from Consumer Affairs Victoria to the Australian Securities and Investments Commission (ASIC). If your Victorian business name is due for renewal before this date, you will need to renew with us to ensure your business name is transferred to the national register. If your Victorian business name is due for renewal on or after this date, we will transfer your existing business registration details to ASIC. ASIC will start sending renewal notices in June.
Federal Budget 2012-13 - What it means for you

Highlights
- Loss carry-back arrangements have been introduced for companies (but not sole traders, partnerships or trusts)
- The tax concession on superannuation contributions made by high income earners has been reduced
- The planned increase in the concessional superannuation contributions cap, from $25,000 to $30,000, has been delayed for two years
- The Education Tax Refund has been converted into the Schoolkids Bonus
- The tax concession for golden handshakes has been reduced
- The Mature Age Workers Tax Offset will be phased out
- The Net Medical Expenses Tax Offset is being reformed
- Living away from home allowances and benefits have been further reformed
- The planned 50 percent tax discount for interest income, which was due to commence on 1 July 2013, will not be going ahead

If you are interested, here is more detail
If you are an individual . . .
- earning a low income . . . you may not have to pay the Medicare levy, as the Government will increase the Medicare low-income threshold from 1 July 2011, to $19,404 for individuals and $32,743 for families (down from $18,839 and $31,789 respectively).

who incurs significant medical expenses . . .
- and you earn $84,000 (or $168,000 for couples or families), you will require net medical expenses of at least $5,000 (up from $2,060) from 1 July 2012 to claim the medical expenses tax offset. And for those people, they will be reimbursed only ten percent of their out-of-pocket medical expenses (instead of twenty).

who was born on or after 1 July 1957 . . .
- your access to the Mature Age Worker Offset is being phased out. People who are 55 or older on 1 July 2012 . . . you will pay
- 30 percent contributions tax on employer contributions and salary sacrificed contributions from 1 July 2012
- 30 percent contributions tax on employer contributions and salary sacrificed contributions from 1 July 2013.
- the maximum rate of FTB Part A will be increased (by $300 for families earning less than $46,355 with one child, and $600 for families with more than one child, and by $100 for families earning more than $46,355 with one child, and $200 for families with more than one child), but it will no longer be available in respect of young people aged over 18 (or until a bit older if the young person remains in secondary school).

If you are a company . . .
- making losses . . . you may be able to use your losses to reduce tax payable in previous years. Companies will be able to carry back up to $1 million of losses each year, which could provide a cash benefit of up to $300,000 a year. In some cases this will result in a cash refund.
- paying tax . . . you will not get the one percent reduction in the company tax rate that was expected (originally planned for 2012-13 for small businesses and 2013-14 for all other companies).
- if you are an employer that requires its employees to live away from their normal home for their work . . . you will be able to pay tax-free living away from home allowances only if the employee maintains another home elsewhere in Australia. And an allowance can be paid for no longer than 12 months per particular location.
- if you hold interest-bearing investments . . . such as bank deposits, bonds and debentures, the 30 percent tax discount for interest income, which was due to commence on 1 July 2013, will not be going ahead.
- if you run a business through a trust or a partnership . . .
- and you make losses . . . Unlike companies, you will NOT be able to use those losses to reduce tax payable in previous years. The ability to do so will be limited to companies (see above).

As the end of the 2011-12 tax year fast approaches, take some time to consider the following tips for reducing your tax liability for the year.

Deferring income
- As a general rule it is preferable to defer income until after 30 June. Where possible, and feasible, defer sales and work in progress until after year end by sending invoices after that time. This is particularly relevant to small businesses, as the Government has promised to reduce the company tax rate for small businesses from the start of the 2012-13 year.

Prepayment of business expenses
- Consider, where possible, making a prepayment of business expenses (e.g. rent, insurance, interest) so as to gain the benefit of the deduction in the 2011-12 year.

Directors' fees, bonuses etc.
- A deduction for directors’ fees, bonuses etc. can be achieved for the 2011-12 year by ensuring that a properly constituted written resolution to pay the amount has been passed before year end. If this is done it won’t matter that the amount may not be paid until the following year.

Bad debts
- Review debtors and write-off bad debts by 30 June so that a bad debt deduction can be claimed in the 2011-12 year. Ensure that there is physical evidence that the debt has been written-off (e.g. an accounting entry or a decision made in writing at the board meeting). It is not enough to simply make a provision for a bad debt.

Trading stock
- Assess current trading stock and consider the impact of alternative valuation methods. For example, where the market value of trading stock at 30 June is below cost price, the difference will result in a better tax result. Also identify any obsolete stock for which a deduction may be available.

Depreciating assets
- Small businesses should delay the acquisition of depreciating assets costing between $1,000 and $6,500 until after year end, as such assets will be able to be written off in their entirety if acquired on or after 1 July 2012.
- Small businesses should also delay the acquisition of motor vehicles until after year end, as vehicles acquired on or after 1 July 2012 will give rise to an upfront deduction of $5,000.
- Review your asset register and write-off any assets that have no value or are obsolete.
- There is significant benefit to be had in allocating assets to depreciating asset pools just before year end. Speak to your adviser for more information.
- Also consider making repairs to depreciating assets prior to 30 June so as to gain the benefit of the deduction in the 2011-12 year.

Capital gains
- Review asset registers and, where possible, realise losses prior to 30 June so as to offset losses against realised capital gains in the 2011-12 year.
- Unless losses are available, defer the signing of all contracts for the sale of assets until after 30 June.
- Also consider making repairs to income-producing assets prior to 30 June so as to gain the benefit of the deduction in the 2011-12 year.

Shareholder loans
- Shareholders who have borrowed money from their company must repay the loan in full or ensure that the appropriate loan agreements are in place, otherwise the amount may be treated as an assessable dividend to the shareholder. Speak to your adviser if you are unsure.

New R&D tax incentive
The research and development (R&D) concession has been replaced with the R&D tax incentive from 1 July 2011. Companies with a group turnover of less than $20 million will be able to access a 45 percent refundable tax credit. Speak to your accountant for more information.