



KOSCHEL MATTNER GROUP

Our Care . . . Your Success

NEWSFLASH – 2009 AUSTRALIAN GOVERNMENT INCENTIVES

INDIVIDUAL TAXPAYERS

Tax Bonus

You may have heard of the recent Government initiative to provide a tax bonus to eligible Australians of up to \$900 per person.

The bonus will be available to Australian resident taxpayers whose taxable income is no more than \$100,000 and who have paid net tax in the 2007-08 financial year.

Taxpayers do not need to apply for the payment. The Australian Taxation Office will make the payment automatically.

In order to be eligible, taxpayers ***must lodge their 2007-08 income tax return by 30 June 2009.***

The bonus will be paid to Australian resident taxpayers who have a net tax liability for the year ended 30 June 2008, after considering their:

- Tax payable;
- Medicare levy and Medicare levy surcharge;
- Less any tax offsets applicable for the year;
- Less any imputation (franking) credits that they received for the year.

These elements are all found in the Taxpayer's Notice of Assessment. We have attached an example Notice of Assessment for your information.

A **\$900** bonus will be paid to eligible taxpayers with taxable income up to and including \$80,000. This then reduces to **\$600** for eligible taxpayers with taxable income between \$80,000 and \$90,000. A **\$250** bonus will be paid to eligible taxpayers with taxable income over \$90,000 and up to and including \$100,000.

Payments will commence from April 2009 for those who have already lodged their 2007-08 tax returns.

There are further Australian Government bonus payments which are available to families receiving certain types of Family Assistance Office support.

Single Income Family Bonus

The Single Income Family Bonus is a payment of \$900 per family to recipients of Family Tax Benefit Part B. It will be paid between 11 and 30 March 2009.

Back to School Bonus

The Back to School Bonus is a payment of \$950 per eligible child. You will be eligible for this payment if you received Family Tax Benefit Part A for a child aged 4-18 years (inclusive) on 3rd February 2009 or a Carer Payment or Disability Support Pension on that date.

Farmer's Hardship Bonus

The Farmer's Hardship Bonus is a payment of \$950 to support farmers who are in receipt of the Exceptional Circumstances Relief Payment, Transitional Income Support and Farm Help Income Support between 24 March and 6 April.

Training and Learning Bonus

The Training and Learning Bonus is a payment of \$950 to students who are in receipt of assistance in various forms, from Centrelink.

BUSINESS TAXPAYERS

The Government have also introduced some initiatives to assist Small Business taxpayers. We note that the following initiatives are not yet final but are expected to be passed through the Senate soon:

Small Business and General Business Investment Allowance

To support jobs and Australian businesses – especially small businesses - the Government will fund an investment tax break for all Australian businesses.

Small businesses can claim an additional one-off 30 per cent tax deduction for eligible assets costing \$1,000 or more that they acquire between 13 December 2008 and 30 June 2009, and install by 30 June 2010.

For eligible assets costing \$1,000 or more that you acquire between 1 July 2009 and 31 December 2009, you can claim an additional 10 per cent deduction where they are installed by 31 December 2010.

To benefit from this tax break a small business must have a turnover of \$2 million a year or less.

Other businesses, who do not qualify as 'small businesses', can receive the same deductions for eligible assets greater than \$10,000.

Assets eligible for the allowance are new tangible assets and new expenditure on existing assets used in carrying on a business that you would normally depreciate, including motor vehicles.

The deduction is on top of the usual depreciation claimable for the asset. You do not need to apply for the allowance. We will attend to claiming it for you as part of preparing your income tax return.

Should you have any queries in relation to the above, please don't hesitate to contact Koschel Mattner.