



KOSCHEL MATTNER GROUP

Our Care . . . Your Success

Reduce Your Tax...Before 30 June 2009!

It's that time of year again - 30 June is fast approaching. Naturally, we would all legally like to pay less tax. As one of our valued clients, we would like to assist you to minimise your tax this financial year.

We have briefly listed below a few strategies that, if implemented before 30 June, may mean less tax for you to pay, which of course means more money in your pocket!

1. Government Co-contribution to Superannuation

By simply making a personal contribution of up to \$1,000 into your superannuation fund before 30 June 2009, you may be eligible for the government to contribute up to \$1,500 into your fund.

2. Superannuation Contributions for your Spouse

By contributing to your spouse's superannuation fund before 30 June 2009 you could be eligible for a tax offset of up to \$540.

3. Superannuation Contributions to Offset a Capital Gain

If you have made a capital gain on an asset you have sold in this financial year, for example an investment property or shares, you may be eligible to claim a tax deduction for making a superannuation contribution, which will offset the gain.

4. Gearing

Gearing is simply borrowing money for an investment in a tax effective manner to create long-term wealth. The interest on such borrowings is tax deductible. There are a number of gearing strategies that can reduce tax and can be customised to suit your personal circumstances. For example, you can borrow either a lump sum to invest or can borrow progressively each month. The investment may be capital guaranteed and can be secured against the investment portfolio. Prepaying twelve months of interest before 30 June is a popular and effective tax strategy.

The purchase of a negatively geared investment property is also an effective long-term strategy to reduce tax. If you already have one you could consider prepaying interest on your loan.

5. Income Protection Insurance

Insurance to cover your income if you are sick or injured is essential...and is tax deductible! Paying your annual insurance premium before 30 June 2009 results in a full tax deduction. Talk to our insurance manager, Vanessa Kelly, about your insurance needs today.

6. Life Insurance within Superannuation

Life insurance and total and permanent disability insurance premiums paid from your superannuation fund allows you to claim a tax deduction for the insurance premium within the fund. These policies, if held outside of superannuation, however are not tax deductible.

7. Tax Deductible Superannuation Contributions

Superannuation contributions made by employers (business owners) or self-employed people may be tax deductible up to the following annual limits:

People aged under 50	\$50,000
People aged over 50	\$100,000

8. Borrowing in Superannuation

As a result of recent changes it may now be possible to borrow inside your superannuation. For example, if you have \$25,000 of superannuation you can now borrow up to the same amount for investment purposes. Talk to our superannuation partner, Robert Koschel, about customising your superannuation fund in order to take advantage of these cutting edge strategies.

9. Government Tax Bonus (Stimulus Package)

The Federal Government is paying a Tax Bonus of up to \$900 to eligible Australian Resident Taxpayers. The bonus is available to taxpayers with income below certain thresholds and who paid net tax in the 2007-08 financial year.

In order to be eligible, taxpayers ***must lodge their 2007-08 financial year tax return the by 30 June 2009.*** If you think you may be eligible and have not yet lodged your 2008 tax return or if you are unsure if you are eligible, please contact us as soon as possible.

Are you in business?

If you are in business there are even more ways to minimise your tax:

10. Tax Planning.

Make an appointment to see us so that we may examine your trading figures for the nine months to 31 March 2009. We can then determine and discuss with you which strategies are best suited to minimise your tax.

11. Government Incentive for Capital Expenditure (Stimulus Package) *

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

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

For eligible assets costing \$1,000 or more that they acquire from 1 July 2009 to 31 December 2009, they 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 can receive the same deductions for eligible assets greater than \$10,000.

Assets eligible for the allowance are **new** tangible depreciating assets and new expenditure on existing assets used in carrying on a business for which a depreciation deduction is available (exceptions apply).

The deduction is on top of the usual depreciation deduction claimable for the asset.

** Subject to legislative approval*

12. Prepayments

By prepaying expenses covering a maximum period of twelve months, before the 30 June, your business may be entitled to claim a full tax deduction for the total amount paid.

13. Deferring Income

Consider whether you are able to defer business income into the next financial year. For example, defer the invoicing of your goods/services until after 30 June.

14. Stock

Determine if you are required to do a stock-take. If you are, we can address the most suitable valuation method of your stock in order to minimise tax.

15. Writing Off Assets

Review your asset listing and determine what items are either obsolete, no longer in use or have been disposed of. You can claim a tax deduction for the written down value of these assets.

16. Bring Forward Expenditure

By paying for necessary expenditure before the 30 June, you are bringing forward the available tax deduction.

17. Bad Debts

Review your debtors (accounts receivable) ledger to determine if there are any amounts which are not recoverable. If the income has been taken up and

steps have been taken to recover the debt, then an equal amount can be taken up as a bad debt expense.

18. Structuring

It is important to regularly review the structure of your business. It is important for both tax minimisation and asset protection purposes. Appropriate structuring can make a significant contribution to tax minimisation and long-term wealth creation.

Take advantage of our taxation and financial planning expertise to assist you to minimise your tax. Call our office on 5537 2255 to discuss how you could benefit from one or more of these strategies. Remember that timing is essential. All of these strategies need to be addressed and implemented by the 30 June. We look forward to hearing from you!

Yours Faithfully

Sandra Koschel

Partner

David Mattner

Partner