



## Christmas Newsletter 2011



Dear Clients,

From all the staff at Trevor Wolff & Associates, we wish you and yours all the very best for Christmas and a healthy and prosperous New Year.

Please note that our office will be closed from 11.00 am on Friday 23 December 2011 until 9.00 am Monday 9 January 2012.

### ❖ Investment Properties – An Important Reminder

#### How to Get the Best Claim:

Don't forget to get a Quantity Surveyors Report for your property, especially if the property has been recently constructed. Some suggestions for Quantity Surveyors are: •Deppro •BMT •Culling Smit & Associates.

#### What Can Be Claimed:

- Advertising for tenants
- Body Corporate Fees
- Borrowing Costs - costs of acquiring the loan claimed over 5 years or the life of the loan whichever is shorter e.g Mortgage Insurance and other fees charged for borrowing
- Capital Works Deductions - Which are the costs associated with the original construction of the building and subsequent improvements to the property such as driveways, carports etc
- Capital Allowances - i.e Depreciation on Plant and Equipment
- Cleaning Expenses Internal/External
- Council Rates
- Gardening /Lawn Mowing
- Insurance - Landlord Insurance, Building and Contents
- Interest on Loans to acquire the property
- Property Agent Commissions for managing the properties
- Land Tax
- Legal Expenses to do with filing for rental defaults
- Lease Expenses - preparing lease agreement fees
- Pest Control
- Repairs and Maintenance - is this a repair or a capital works deduction?
- Stationery, Postage and Petties
- Telephone Expenses
- Travel Expenses
- Water Rates

#### What Cannot Be Claimed:

- Landscaping
- Costs of purchasing or selling the property such as:
  - Initial repairs to get the property ready for renting
  - Legal Costs on purchase or sale
  - Advertising for sale
  - Building and Pest inspections
  - Commission on sale
  - Stamp Duty
  - Travel Expenses

These costs are capital in nature and are included in the cost base of capital gains when the property is sold.

### ❖ Who Will Have to Pay the Flood Levy?

Individual taxpayers who have a Taxable Income over \$50,000 in the 2011-12 financial year, will have to pay the Flood Levy. This includes foreign residents who have Australian income.

#### Low-income earners will not pay the Flood Levy

If you have a Taxable Income of \$50,000 or less in the 2011-12 financial year you will not be charged the Flood Levy.

#### Certain people affected by natural disasters will not pay the Flood Levy

Some people affected by natural disasters will be exempt from paying the Flood Levy, regardless of whether their Taxable Income is under or over \$50,000.

#### Flood Levy Rates:

Taxable Income	Flood Levy on this income
\$0 to \$50,000	Nil
\$50,001 to \$100,000	Half a cent for each \$1 over \$50,000
Over \$100,000	\$250 plus 1c for each \$1 over \$100,000

#### What type of income does the levy apply to?

- The Flood Levy applies to Taxable Income
- The Flood Levy does not apply to Exempt Income
- The Flood Levy may apply to employment termination payments and superannuation benefits.

### ❖ Education Rebate – New For 2012!

As from 1 July 2011 approved school uniforms will form part of the Educational Tax Rebate. Keep your receipts! From the 1 July 2012, other uniform items such as hats, footwear and sports uniforms may be claimed.

### ❖ Businesses Registered for GST may be eligible for Fuel Tax Credits

You may be eligible for Fuel Tax Credits if you are registered for GST and registered for Fuel Tax Credits and use diesel or petrol in the following activities:

- Business activities
- Machinery
- Plant
- Equipment
- Heavy Vehicles greater than 4.5 tonnes gross vehicle mass.

#### • Activities where you can claim 38.143 cents per litre:

- Agriculture
- Fishing
- Forestry
- Mining
- Marine Transport
- Rail Transport
- Nursing and Medical
- Generating electricity (business or commercial)
- Non-fuel uses (including burner fuel and packaged fuel).

Specialising in:

Personal, Business, Partnership, Company, Trust & Super Returns

- For vehicles greater than 4.5tonnes travelling on a public road the amount claimable is 15.043 cents per litre from the 1 July 2011.
- All other activities: you can claim 19.0715 cents per litre. Fuel used in all other business activities, machinery, plant and equipment is eligible from 1 July 2008.

#### Examples of equipment eligible to claim Fuel Tax Credits for:

All-terrain bikes (off-road use), asphalt pavers, augers, backhoes, blower vacuums, bulldozers, cement mixers, chainsaws, compactors, compressors, cranes, crushers, dredges, drills, excavators, fork lifts, front end loaders, graders, hoists, lawn mowers, outboard motors, pumps, rollers, whipper-snippers, winches.

#### ❖ Carbon Price Scheme

The Carbon Price Scheme is a tax placed on industries' polluters. As a result, households can expect an approximate rise in prices of .7% due to the effect on carbon price on large emitters. The government will be introducing compensation measures, known as the Clean Energy Supplement, to households for taxpayers with incomes less than \$80000. It is estimated that 159 million tonnes of carbon pollution will be cut from the atmosphere by 2020, which is the equivalent to taking 45 million cars off the road. A \$1.2 billion clean technology program will be funded to improve energy efficiency in manufacturing and support research and development. A \$10billion Clean Energy Finance Corporation will be established to fund new clean technology and an Australian Renewable Energy Agency to administer it. Australia's most polluting energy generators will be replaced.

#### What this means to you:

- A rise in the tax free threshold from \$6000 to \$18200 from 1 July 2012, and then to \$19,400 from 1 July 2015.
- Taxpayers on incomes below \$80000 will receive tax cuts with most receiving \$300 per year and increases to \$380 from the 1 July 2015.
- Up to \$338 extra per year for single pensioners and self funded retirees and up to \$510 for pensioner couples.
- Up to \$110 per child for a family that received Family Tax Benefit Part A per year.
- Up to \$69 extra for families receiving Family Tax Benefits Part B per year.
- Up to \$218 per year for single income support recipients and \$390 per year for couples.
- Up to \$234 per year for single parents in addition to increase in family payments.

#### What this means to industry:

- The package includes \$9.2billion over three years for trade exposed industry with emission intensive industries and 94% getting carbon permits free.
- The highest polluting business will pay the carbon price which will increase 2.5% above inflation until July 1 2015 and then the market based trading scheme kicks in.

- Fuel is exempt for individual motorists and small business.
- Diesel for heavy vehicles will pay carbon price from 2014.
- Agriculture is excluded from paying carbon price.

#### ❖ Home & Business Loans

Matt Carr, Principal of M C Mortgage Solutions, and a client, wishes to help you in obtaining the best deal in finance. He can help you with the ATO Debt Consolidation, Business Debt Restructuring, Interest Rate Negotiation, Property Investment Loans, Home Loans, Refinancing to dramatically improve your interest rate, etc.

Please contact Matt directly on 0405 297 685 or via email at [info@mcmortgages.com.au](mailto:info@mcmortgages.com.au). Mention that you are a client of Trevor Wolff & Associates and he will rebate any commissions due to me, back to you as payment off your loan.

#### ❖ Financial Health Check!

It is important that we raise the issues of financial risks which can result from tragic events such as injury, serious illness and also death with our valued clients to ensure we are providing a complete and professional service.

#### This 1 Minute Financial Health Check to see if you need a more thorough examination of your current financial situation and goals.

Q. If you were unable to work due to an illness or injury, are you confident that your family would be financially secure?

Yes  No

Q. Is your income protection in line with what you are earning?

Yes  No  I have no cover

Q. If you were to become disabled, do you have enough savings to cover the costs associated with rehabilitation and home modifications?

Yes  No

Q. Do you have an up to date will, power of attorney and estate plan?

Yes  No

Q. If you think you may have some life insurance within your superannuation fund, are you sure it is enough to support your family's future?

Yes  No

If you wish to talk to someone about the above, please call and I will put you in touch with Simon Milton of **Business & Estate Planning Specialists**.

#### Website

Have you visited our website? See it at [www.wolffaccountants.com.au](http://www.wolffaccountants.com.au).

With the advent of technology, we are able to complete your Tax Return from your emails and scanned documents saving you the time spent at an appointment. While we like to see you each year, we understand that sometimes your time can be better used elsewhere. We can email or phone you with any questions.