



## Closer look at changes to Farming Concessions

As most people would now be aware, there were considerable changes made to farming concessions as a result of the budget released in May 2015.

The changes include the ability to:

- Immediately deduct the cost of all water conservation items purchased
- Immediately deduct expenditure on fences
- Deduct the cost of 'fodder storage assets' equally over three years

Previously, water conservation assets were deducted over a three year period and fodder storage assets were determined by the individual asset's effective life. The above changes are in affect from 13th May 2015 (ie. Any items meeting the definitions purchased from 13th May 2015 onwards).

The ATO's definition of water conservation items has not changed and includes; dams, tanks, bores, irrigation channels, pumps, water towers and windmills. These items must be purchased brand new to be eligible for the deduction.

The deduction for fodder storage assets includes both new and second hand equipment as well as extensions or alterations to structures that are primarily and principally for the purpose of storing fodder.

Typical examples of fodder storage assets include:

- silos
- liquid feed supplement storage tanks
- bins for storing dried grain
- hay sheds
- grain storage sheds and
- above-ground bunkers.

Also, farmers may be eligible for the immediate deduction for other assets not covered above that cost less than \$20,000, provided they fall under the \$2 million turnover mark (therefore considered a small business entity). \*This change is in affect from 13th May 2015, until at this stage 30th June 2017.

With all of these deductions please keep in mind that they are reducing your profit in the applicable income year/s and if any of these assets are then sold there will likely be profit/gain as they have been entitled to accelerated depreciation.

Please contact our office for any advice required for your specific circumstances.

**Remember, by necessity the contents of this newsletter are summary only. Clients should contact us on 6431 3933 to discuss matters prior to acting.**

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Merry Christmas and Warm Wishes for a wonderful festive season.

Our Burnie office will be closed from 1pm 24th Dec 2015, re-opening 8:30am 11th January 2016.

Smithton office will be closed from 5pm 17th Dec 2015 and re-opening 9am 14th January 2016





## Building & Construction Industry Employers Long Service Leave

TasBuild is responsible for providing long service benefits to workers in the construction industry and ensuring that both employee entitlements are protected and a level playing field for employers in Tasmania is maintained.

A requirement to make a contribution to the fund arises when:

- An employer is engaged in the construction industry, and
- That employer employs an employee to carry out construction work in the construction industry. This is called relevant employment.

The 'construction industry' is any industry described in the relevant sections of Division C and all of Division E of the Australian, New Zealand Standard Industrial Classification (ANZSIC) Code. The ANZSIC codes can be viewed at the offices of TasBuild or online.

The construction industry described in the above sections can include businesses that you may not consider themselves to be 'construction' businesses. It could also affect only some employees within a business that are solely engaged in construction activities. It is important to ensure that your business is correctly

classified with the correct industry code with the Australian Business Register and in your tax returns. There can be data matching that is done between government agencies to ensure all relevant businesses in the industry are included in the scheme. If you are unsure whether your business may qualify, we suggest you review the website at [www.tasbuild.com.au](http://www.tasbuild.com.au) or call Tasbuild to discuss your specific situation. Penalties and back payments can be payable if you have relevant employees that should have been having contributions made on their behalf.

## Zone Tax Offset Changes

The zone tax offset is a tax concession offered by the Australian Tax Office for people who live and work in remote areas of Australia. This tax offset can provide significant tax savings to those eligible Australian taxpayers. To be eligible for the zone tax offset, you must have lived or worked in one of the defined zones (not

necessarily continuously) for; 183 days or more during the past tax year, or 183 days or more across two consecutive financial years, provided you did not claim the offset in the first year. The ATO provides zone classifications and depending on which zone you fall under determines the amount of tax offset you are entitled to.

In the recent budget the government announced that individuals who are "fly-in fly-out" and "drive-in drive-out" workers will be excluded from receiving a zone tax offset when their normal residence is not within a specified 'zone'. This rule is effective as of the 1st July 2015.

## Small Business Tax Discount

In the 2015 Federal Budget, the Government announced a small business tax discount. The Government said that, with effect from 1 July 2015, individual taxpayers with business income from an unincorporated business that has an aggregated annual turnover of less than \$2 million will be eligible for a small business tax discount. The discount will be 5% of the income tax payable on the business

income received from an unincorporated small business entity. The discount will be capped at \$1,000 per individual for each income year, and delivered as a tax offset through the individual's end-of-year tax return.

Example: A person running a business as a sole trader has an annual turnover of \$300,000 and taxable income of

\$75,000. Under the current law, the business would pay tax, at the owner's marginal tax rate, of around \$16,000 in total. Under the proposed new law, the \$16,000 tax bill on the business income would be reduced by 5%, or \$800. While there is no change in the owner's tax rate, under the new law the owner would pay only \$15,200 tax.



# Client Profile - Curtain & Blind Creations



Having a passion for sewing and curtain making over the past 18 years, Helen Saward had outgrown her workroom at home.

This led to the September opening of Curtain & Blind Creations at 41a Wragg Street, Somerset. Now with a spacious showroom with many curtain samples and blinds on display, curtains are made in the onsite workroom.

Curtain & Blind Creations offer a free measure and quote on all your window furnishings, clothing alterations, foam, tracks, fittings & cottons. With the expansion of the business Helen and husband Trevor now employ a casual sewer and a consultant.

Please call 64 35 1213 to make an appointment.

# Client Profile - Bicycle Centre

A family obsession with bikes became an easy decision for Brendan and Wendy Spurr to open up Bicycle Centre in Somerset, the only franchise store to open in Tasmania.

Some 15 years ago, Brendan, a boilermaker/welder by trade, took the gamble and began his own sole trader business known as BGS Fabrications. Brendan started off with only a couple of customers, building door guards for CAT excavators and the odd roll cage for race cars. His business expanded substantially across the coming years, building some of the fastest race cars in Tasmania to one off farm machinery, specialized trailers and more.

During this time mountain bikes started to appear in the shed with great frequency, which soon followed by a road bike or two. Brendan and Wendy's two children Lachlan and Caitlin also share the passion for riding,



Lachlan having done Mountain bike events, he soon wanted to try road bike racing and track riding, which Caitlin is also doing.

With BGS Fabrications losing its appeal with Brendan, Wendy suggested opening up a bike shop some 18 months ago, with a lot of planning and winding back BGS, the bike shop started to come together with

the opening taking place the first week of October 2015. The team at Elphinstone Stevens provided so much support in the way of advice and assistance with all our accounting needs.

Having over 60 bikes in stock, with a specific focus on Merida, Norco and Lapierre bikes, Bicycle Centre also stocks a wide range of helmets, shoes, tyres and tubes, gloves, lycra, workshop repairs and a whole lot more. The first week of trading saw Brendan completely sell out of 26 inch MTB tyres, the realization that every bike in Somerset and surrounds must have had bald tyres!!

Any of our clients who have ever thought of purchasing a new bike or simply need their current bicycle checked over, call into Bicycle Centre at Somerset or call Brendan on 6435 1237 and he will be happy to help you out.

# Rental Properties and Deductions

This year the ATO has an increased focus on rental properties and are encouraging rental property owners to double-check all deductions are correct before lodging their tax return. The focus areas that the ATO are paying close attention to are:

- Excessive deductions claimed for holiday homes;
- Husbands and wives splitting rental income and deductions for jointly owned properties in an attempt to get a tax advantage for the highest income earner;
- Claims for repairs and maintenance shortly after the property was purchased, and Interest deductions claimed for the private portion of loans.

It is extremely important for all property owners to keep accurate records. This ensures the right amount of income is included in the property owners' tax

return and there is evidence to support all claims made.

Rental property owners should only claim full deductions for the periods the property is rented out or is genuinely available for rent. If a property is rented out at below market rates (i.e. to family or friends), deductions claimed must be limited to the income earned when rented.

Any costs to, repair damage, defects or deterioration existing on purchase cannot be claimed as an immediate deduction.

Like renovation costs, these expenses are only deductible over a number of years as opposed to claiming an outright deduction for repairs.

Further information in relation to rental properties can be found on the ATO website, at

[www.ato.gov.au/General/Property/in-detail/Rental-properties](http://www.ato.gov.au/General/Property/in-detail/Rental-properties)

or please speak to one of our friendly team members.



# MYOB Tips and Tricks

Do you find yourself wishing there were quicker ways to achieve things within MYOB? Whether you have been using the program forever, or are new to using it there may be shortcuts or hints you are not aware of.

Our first tip to everyone, is to do as much as you can with the keyboard

shortcuts available, rather than constantly switching between your mouse and keyboard.

To select a button, menu or option, press the Alt key and then the shortcut letter that's assigned to the object you want to select. For example, when you press Alt in the Sales window, the

Record button label will show the letter o underlined. This means that if you press Alt and the letter o (Alt+o) the sale will be recorded.

The Ctrl key along with other keys can also be used to get to certain windows or functions within MYOB. A few of the common ones are listed below:

Command Centres (All)	Find Transactions	CTRL+Y
Command Centres > Banking	Spend Money	CTRL+H
Command Centres > Banking	Receive Money	CTRL+D
Command Centres > Banking	Command Centre	CTRL+3
Command Centres > Sales	Enter Invoices	CTRL+J
Command Centres > Sales	Receive Payments	CTRL+B
Command Centres > Sales	Command Centre	CTRL+4
Command Centres > Purchases	Enter Purchases	CTRL+E
Command Centres > Purchases	Pay Bills	CTRL+M
Command Centres > Purchases	Command Centre	CTRL+5

Another helpful shortcut you can use when searching for something in a list (such as in the Reconcile Accounts window). Click in the list and then press Ctrl+Shift+F.

Type your search term in the search field that appears, and the list will show the rows that have matching text. Please be aware that some of these short cuts

may not work in older versions of MYOB. If you wish to ask any further questions please give our office a call.

## Decline of Paper

You may have already realised that the tax office is moving towards a more paperless environment. Many notices and forms that were once posted are now only available electronically. We are just wishing to remind people that if they have lodged their BAS or IAS electronically (or it has been lodged electronically through our office, even

just as a once off) the next form is unlikely to be issued as a paper form. Thus, if you do not receive the form, don't just ignore it, check through your business portal or our office to see if the form has been sent electronically. Also, as advised in the previous newsletter, many forms are now being sent direct to your MyGov account if you have

one set up. This also includes Notice of Assessments. Therefore, do not assume we have necessarily received and checked all your ATO notices. If you have any concerns regarding any ATO forms or notices you believe you should have received, please do not hesitate to contact our office.

### Do you require any further information from this edition?

**Simply tick which of the items interest you and we will be pleased to send you further information**

- Farming Concessions
- Building & Construction Long Service
- Zone Tax Offset Changes
- Small Business Tax Discount
- Client Profile - Curtain & Blind Creations
- Client Profile - Bicycle Centre
- Rental Properties and Deductions
- MYOB Tips and Tricks

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