Bottom Line Autumn 2024 - Issue No. 101 NEWSLETTER



Change to Stage 3 Tax Cuts Legislated

The government's overhaul of the stage 3 tax cuts passed the Senate unamended on 27 Feb 2024, having previously passed in the House of Representatives and will become law.

The changes aim to broaden the benefits of the original tax cuts, halving the tax break offered to wealthier Australians, but bolstering the benefit for those on lower incomes.

The original stage three tax cuts sought to 'flatten' the tax system by abolishing a tax bracket, and address bracket creep by pushing out the top tax bracket.

The new changes retain the tax bracket that would have been abolished but adjust tax rates to benefit both lower and higher-income earners.

Please see tables below for the changes to tax rates and the tax savings you may get based on your personal income from 1 July 2024

Up to 30 June 2024

Taxable Income	Tax Payable
\$	\$
0 - 18,200	nil
18,201 - 45,000	19% of excess over 18,200
45,001 - 120,000	\$5,092 + 32.5% of excess over 45,000
120,001 - 180,000	\$29,467 + 37% of excess over 120,000
180,001 +	\$51,667 + 45% of excess over 180,000

From 1 July 2024

Taxable Income	Tax Payable
\$	\$
0 - 18,200	nil
18,201 - 45,000	16% of excess over 18,200
45,001 - 135,000	\$4,288 + 30% of excess over 45,000
135,001 - 190,000	\$31,288 + 37% of excess over 135,000
190,001 +	\$51,638 + 45% of excess over 190,000

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How Much Tax will I save?

Taxable Income	Tax Saving
\$20,000	\$0
\$40,000	\$654
\$60,000	\$1,179
\$80,000	\$1,679
\$100,000	\$2,179
\$120,000	\$2,679
\$140,000	\$3,729
\$160,000	\$3,729
\$180,000	\$3,729
\$200,000	\$4,529
\$250,000	\$4,529

Clearance Certificates

If you are thinking of selling a property with a market value of \$750,000 or more and are an Australian resident for tax purposes, you **must** apply for a clearance certificate

A clearance certificate provides certainty to purchasers regarding their withholding obligations. It confirms that withholding tax is not applicable to the transaction. Essentially the certificate, proves to the purchaser that you are an Aus resident for tax purposes.

Without applying & being granted the clearance certificate you as the seller would lose 12.5% (being the foreign resident capital gains withholding amount) of the sale price to the ATO until your income tax return could be lodged for the year of the transaction. Therefore, it may take some time before the seller can lodge the income tax return to declare the capital gain, be assessed and then given any available credit for the amount withheld

Please note, from 1 January 2025, the current \$750,000 threshold will be abolished and reduced with a threshold of nil & hence everyone selling property would be required to apply. It is also proposed the withholding rate will increase from 12.5% to 15%.

You must therefore ensure you have a valid clearance certificate at or before settlement, otherwise you are taken to be a foreign resident with regards to the property transaction and the 'foreign resident capital gains withhold (FRCGW) amount applies.

Affected properties include:

- Vacant land
- Buildings
- Residential and commercial property

When to get a clearance certificate

The seller of property should lodge their application for a clearance certificate as early as they can. Clearance certificates are current for 12 months and can be used for multiple sales.

It is the Sellers responsibility to obtain the certificate before settlement and it can take up to $28\,\mathrm{days}$ for processing.

How to apply

The Australian resident entity (or their representative) will need to complete an online Clearance certificate application for Australian residents.

https://www.ato.gov.au/frcgw_clearance_certificate.aspx

Where there are multiple Australian resident vendors disposing of the asset, each vendor should apply for a separate clearance certificate in their name only. Australian residents who are not required to lodge tax returns, such as aged pensioners, are still required to obtain a clearance certificate.

If you are a foreign resident there is no point in you lodging a clearance certificate application, your application will be declined as you are not entitled to receive one. However, if you may be entitled to a variation to the withholding rate, then you can lodge a variation request.

If you need assistance in this matter, please contact us for guidance.

Business Tasmania

Business Tasmania supports Tasmanians to start, run and grow a business by offering personalised, consultative, first contact resolution assistance. They provide targeted information, and access to a range of services and programs to help businesses succeed. Business Tasmania is the first point of contact for Department of State Growth programs and services.

The Business Tasmania service includes (but is not limited to):

- Business Tasmania has a range of programs and information that can assist people starting or operating business in Tasmania
- Referrals to free and independent business advice through the Tasmanian Business
- Advice Service or New Business Support Pilot Program
- They also offer an interpreting service in over 180 languages to connect you with support if English is not your first language
- License and permit information and assistance with the Australian Business Licence Service (ABLIS)
- Provides information about loans and grants offered by government
- Information on state government supported workshops, seminars and networking events https://eventcalendar.business.tas.gov.au/
- Provision of online how-to booklets, guides and checklists
- In the event of a crisis or emergency, Business Tasmania is the first point of contact forbusinesses to register their impact and seek assistance

Business Tasmania can be contacted on 1800 440 026 or ask@business.tas.gov.au

We at Elphinstone Stevens encourage each of you to sign up to their newsletter at: https://www.business.tas.gov.au/updates-and-news You can also find daily updates on Facebook and Twitter.



Business Growth Loan Scheme extended

The Tasmanian Government recognises that the private sector is critical to growing our economy and is committed to supporting Tasmanian businesses. The S60 million Business Growth Loan Scheme provides loans to assist Tasmanian businesses to develop, expand or undertake new projects, that promote growth in the Tasmanian economy and align with the Tasmanian Government's strategic objectives.

The scheme provides loans of between \$100,000 and \$3 million to assist Tasmanian businesses to develop, expand or undertake new projects that promote growth in the Tasmanian economy.

The scheme is open for applications until 5pm, Friday 20 December 2024 or until all funding has been allocated, whichever occurs first.

For more information including program guidelines and how to apply please go to: https://www.stategrowth.tas.gov.au/grants_and_funding_opportunities/loans/business_growth_loan_scheme

To arrange a discussion of your proposal or to ask any questions, email bgls@stategrowth.tas.gov.au

Support for regional internet and phone connectivity issues

If you are running a business from rural, regional and remote parts of Tasmania and experience internet and voice connectivity issues, the Regional Tech Hub (RTH) can help you.

The RTH provides free, independent advice and support for those who live in regional, rural and remote areas that can include:

- telephone and internet options suited to your location, needs and budget
- improving your connection
- guidance on getting a better or cheaper service
- boosting your internet and mobile coverage
- advice on technology solutions and products, such as routers, boosters, antennas and installation.

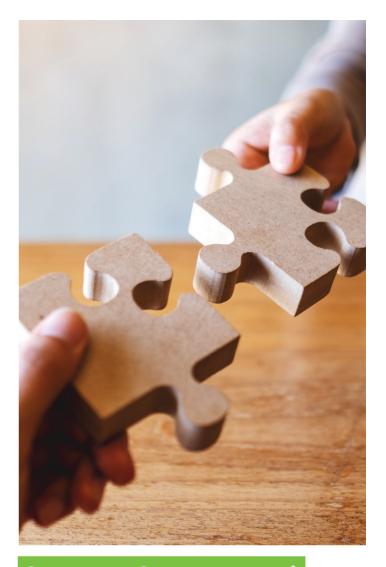
The RTH is an Australian Government initiative run by the National Farmers' Federation that helps people with telecommunications services. They also deliver the new Federal Government On Farm Connectivity Program.

For more information visit the Regional Tech Hub website or call their hotline on 1300 081 029.

https://regionaltechhub.org.au/

There is no Internet connection

There is something wrong with the proxy server or the



Create a myGov account and link it to the ATO

myGov is the Australian Government's secure online portal that allows you access to a range of government services online. Please note this is different to myGovID which is simply an authenticator to access ATO online services. When you create a myGov account you can link to Medicare, ATO, Centrelink and Child Support, and a range of other government services.

By linking your myGov account to the ATO, you can:

- Manage your personal and employment details
- View your tax information
- Lodge and pay your tax
- View, manage and access your super
- View your student loan balance
- Management your lodgements as a sole trader
- Offers real-time updates on tax obligations and refunds.
- Strong security to keep your information safe.

We strongly suggest that if you do not currently have myGov setup and linked to theATO, that you do so and ensure you email and phone number is correct. The ATO are moving towards full electronic communications and is also their preferred means of corresponding with taxpayers.

Staff Profile – Mathew Cameron

1. What was your first paying job?

I got my first paying job when I was 14 at Kmart in Burnie doing "recovery" – essentially cleaning up the aisles after customers made a mess of them. A few friends got jobs when I did doing the

same thing, and it didn't take long before we stopped getting rostered on together... This is when I learnt talking to my friends didn't count as work

2. What's your favourite thing to do on the weekends?

My favourite things to do on weekends in no particular order are drink beers, spend time with

friends and explore Tassie/spend time in nature. Or a combination of the three

3. What's the best place you've travelled to?

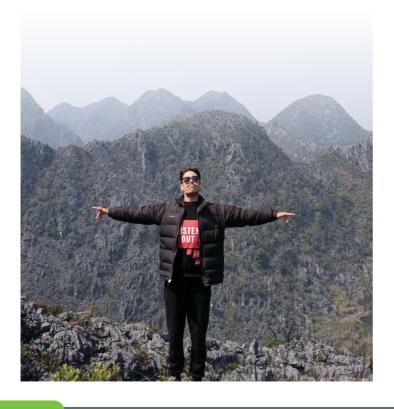
Best place I've travelled to would have to be Vietnam in February 2020 where I did the Ha Giang Motorbike Loop, which is up in the mountains near the border with China. It's like you're on another planet, the scenery is awesome and the locals live very traditional lives with next to no technology.

4. What's something you're really bad at?

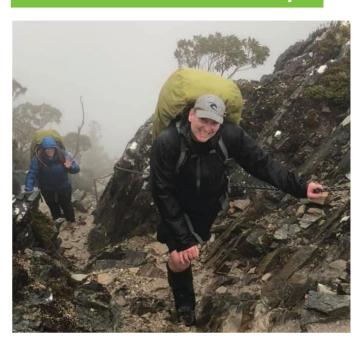
Getting to things on time. I have been told that I would be late to my own funeral.

5. What kind of music do you like?

I like all kinds of music, from modern rap and "doof doof" music to classics like Pink Floyd, Fleetwood Mac and Cold Chisel. Anything but country or opera really



Staff Profile – Mathew Munday



1. What was your first paying job?

My first job was delivering Pizza for Domino's in Devonport. It was a very cruisy job and was interesting seeing a variety of customers in their home. Enjoyed getting good tips from customers.

2. What's the best concert you've been to?

Jebadiah and The Living end at Saloon Bar in Launceston when I was 18. The Living End was the support act and are now an iconic Australian punk rockabilly band. I never seen a small place erupt like that before.

3. What's something you're proud of?

I have 3 kids, Zali, Taya & Isaac. Zali & Taya have been quite successful in their junior sporting careers both being state champions in swimming, Surf Club and athletics. Both have represented Tasmania for swimming and athletics. I have coached both girls, Zali at swimming and Taya for school netball team. Isaac is just starting out and will soon be 4 years old. Unsure of his sporting ability but has grasped the art of conversation for anyone willing to listen to him.

4. Have you ever met anyone famous?

I met quite a few Olympic swimmers and coaches with being a coach of the Burnie swim club. Swimmers Bronte Campbell, Leisel Jones, Madi Wilson and Leigh Nugent (Former Australian Coach)

Please Remember

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