

# GLR Accountants

## Tax & Business Specialists

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As you may have noticed by the header, we have changed our name to GLR Accountants. Or just GLR as we like to call ourselves. Along with the name we have a new website and new corporate stationery. However, underneath it all, we are still the same firm and people and will deliver you the best service we can at all times. Please enjoy reading our Spring newsletter, now in **technicolour**.  
Best wishes from the Team at GLR.

### Family Tax Benefit Claims

The only way to claim is directly from the Family Assistance Office (FAO) or Centrelink. If you are already receiving fortnightly payments FAO will automatically determine your entitlements. **If you wait to receive as a lump sum, this is no longer automatic via your tax return.** You will need to lodge a lump sum claim form after we lodge your tax return **each year.** This can be done via FAO's online services on their website [www.familyassist.gov.au](http://www.familyassist.gov.au).  
NB: If you get 2 years behind they will cancel your benefits.



### New Super Contribution Rules!

- Under 50 years - \$25,000 p.a
- Over 50 years - \$50,000 p.a (until 2012)
- Over 50 years – after 1 July 2012 \$25,000 p.a (unless your super balance is under \$500,000)

So you need to review your current Salary Sacrifice amounts, because if you are over the cap, excess tax of 31.5% will apply, on top of the 15% already applied.

**That's 46.5% tax.**

Also, keep in mind that your 9% employer contribution is included, and for Public Servants, the Productivity component is included in the cap (around 2% of salary)

### Medical Rebate

A 20% rebate is available on the net medical expenses your family pay per year, over \$2,000.

Eligible medical expenses include:

- Chemist prescriptions
- Optical costs (including Lasic surgery)
- Physiotherapy
- Nursing Hostel Costs (approved facilities)
- Normal Doctor/Hospital costs
- Dental (including braces)
- Medical aids (artificial limbs, eyes, hearing aids, wheel chairs etc)

**NB. For the 2010/11 tax year, the threshold has increased from \$1,500 to \$2,000. And will increase by CPI from now on.**



### The Education Tax Refund

**Only applies if you are eligible for FTB Part A.**

Different levels apply for Primary (\$397) & Secondary students (\$794) for 2010/11. You are entitled to 50% of eligible expenses, which include computers, internet connection, education software & textbooks.

**Note that Uniforms are now included from 1 July 2011.**

## Rental Property Deductions

Just a reminder about some often missed claims that you can make:

- Travel for inspections and or maintenance, including buying supplies or items for the home. Just record the kilometres travelled.
- If overseas, some of the travel costs can be claimed depending on the circumstances.
- Phone calls and stationery
- Landlord Insurance
- Depreciation on Construction costs if built after 17 July 1985. A Quantity Surveyors report is required. Please ask us for reputable providers
- ACT properties can claim stamp duty and legal costs on purchase.

**BEWARE:** The ATO are targeting Rental Properties in their audit programs. So if unsure of what to claim, especially as repairs and improvements, please ask.

## New Small Business Depreciation Claims

The government has proposed from 1 July 2012 that small business (<\$2M turnover) will be allowed an immediate deduction for all assets costing under \$5,000 (currently \$1,000). And for motor vehicles the first \$5,000 will be deductible in the first year, with the remaining cost being depreciated under the existing rules. We will let you know when it becomes law.

## Medicare Levy Surcharge

For the 2011/12 year if you **DO NOT** have Private Health Insurance with appropriate Hospital cover and your adjusted taxable income (**ATI**) is above **\$80,000** as a single or **\$160,000** as a family, then the extra 1% Medicare Surcharge will apply.

**NB.** This is on top of the ordinary Medicare levy of 1.5% that all taxpayers pay, on their taxable incomes, except for low income earners.

**ATI** is a taxable income + fringe benefits + salary sacrifice super + net investment losses and rental property losses.

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## LODGING TAX RETURNS

Please bring in your information **ASAP** if you have not lodged your 2011 and prior tax returns.

## DIY Superfund's from \$990 p.a

### But save \$000's!!

More and more people are finding that setting up your own Super Fund is a good idea. Close to 33% of all Retirement Savings are now held in SMSF's. Usually, this is the case when leaving the Public Service but can be beneficial in other circumstances also.

#### The Benefits:

1. Control of your own money.
2. No management fees.
3. More flexible investment strategies.
4. Lower cost structure.
5. Fun of investing.

If you are interested in setting up your own fund, please call us to discuss it in more detail.

## Salary Packaging Cars

Still a great way to save tax and get that new car. However, it can now be even better. With the increase in the tax bracket for the top tax rate to \$180,000, the irony is that the benefit of salary packaging is reduced. **But**, if you can also do the Employee Contribution Method (ECM), the benefits are restored.

For all new agreements entered into after 10 May 11 a flat 20% statutory rate will apply regardless of the kilometres travelled. Although this is being gradually phased in over the next 4 years. **Existing arrangements are not affected.**

For more details, please contact us.

## NSW Land Tax Reminder

For the 2011 year, the threshold for properties in NSW liable for Land Tax is \$387,000 and the rate is 1.6%. So if you have rateable land with a value over this amount, then you will need to register. It is not automatic, but if they find you first, penalties will apply. See the website at [www.osr.nsw.gov.au/taxes/land/](http://www.osr.nsw.gov.au/taxes/land/)

## ACT Land Tax Reminder

In the ACT only **rented** properties attract Land Tax. So if the property is vacant, no land tax applies. (differs to NSW) The rate is on a marginal scale from 0.6% to 1.4%, based on land value. Registration is self assessment with ACT revenue. The liability starts from the end of the quarter from when the property was rented. Rural land is exempt. See the Website at [www.revenue.act.gov.au/land\\_tax](http://www.revenue.act.gov.au/land_tax)