

### Another tax year is upon us.

It is that time of year again to start putting together your information for your income tax returns.

Once you have put everything together, please do not hesitate to give bTa a call to organise an appointment so we can attend to the preparation of your income tax return.

The bTa difference – providing your point of view.

Warmest Regards

The BTA Team

### Reminder of Lodgement Dates

21 July 2009 June 2009 monthly activity statement  
28 July 2009 June 2009 quarter superannuation guarantee contributions  
11 August 2009 June 2009 quarter activity statement\*  
14 August 2009 PAYG payment summary report  
21 August 2009 July 2009 monthly activity statement  
25 August 2009 June 2009 quarter activity statement\*\*

\* for those lodging their own

\*\* for those lodging via a tax agent

### GIC and SIC rates for July to September 2009

The ATO has advised that the General Interest Charge (GIC) and Shortfall Interest Charge (SIC) rates for the period 1 July 2009 to 30 September 2009 are as follows:

- GIC rate - 10.13%
- SIC rate - 6.13%

### ATO announces further relief for small businesses

#### Twelve-month general interest charge (GIC) free payment arrangements

The Australian Taxation Office (ATO) has announced a series of interest-free deferrals of tax payments for small business and other tax amelioration measures for smaller enterprises.

The concession is in addition to tax concessions for small business announced previously by the Federal Government as part of its response to the Global Financial Crisis.

The Tax Commissioner Michael D'Ascenzo announced the ATO will offer a 12 month general interest charge (GIC)-free payment arrangement for all businesses with an annual turnover of less than \$2 million who have an activity statement debt.

There is no limit on the amount of debt under arrangement.

To be eligible businesses will be required to agree on payment arrangements with the ATO.

For these businesses, with payment arrangements covering activity statements and income tax, negotiated from 1 June 2009 until 30 June 2010, the GIC will be remitted for the period of the payment arrangement (up to a maximum of 12 months).

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## How does the payment arrangement work?

The GIC-free period applies to activity statement debts (eg GST, PAYG).

Superannuation guarantee charge (SGC) debts are not included as the GIC forms part of the employees' entitlements.

No GIC is payable for a maximum of 12 months from the day on which the arrangement is entered into.

The actual GIC-free period (maximum of 12 months) starts on the day on which the agreement was made, and finishes on the day the final instalment is due.

If the arrangement defaults, the GIC-free period ends on the date of default.

If a payment arrangement entered into prior to 1 June 2009 is renegotiated after 1 June 2009, the new arrangement will be treated as a GIC-free payment arrangement subject to the eligibility criteria being satisfied.

## Temporary reduction of the super co-contribution

As announced in the 2009 Federal Budget, from 1 July 2009 the Government will temporarily reduce the:

- co-contributions matching rate; and
- maximum amount payable by the Government as a co-contribution on an individual's eligible personal non-concessional super contribution.

Under this measure, the new matching rates will be:

- 100% for the 2009-10, 2010-11 and 2011-12 financial years, with a maximum co-contribution of \$1,000;
- 125% for the 2012-13 and 2013-14 financial years, with a maximum co-contribution of \$1,250;
- 150% from 2014-15 onwards, with a maximum co-contribution of \$1,500.

These changes have received royal assent.

## Eligibility for co-contribution

From 1 July 2008, you will be eligible for the co-contribution if:

- you make a personal super contribution by 30 June each year into a complying super fund or retirement savings account;
- your total income is less than \$60,342 (this is indexed annually to reflect changes in average wages);
- 10% or more of your total income is from eligible employment, running a business or a combination of both;
- you are less than 71 years old at the end of the year of income;
- you do not hold an eligible temporary resident visa at any time during the year;
- lodge your income tax return.

Your super fund needs your Tax File Number (TFN) before it can accept your personal contribution or a co-contribution from the Australian Taxation Office.

## Reduction in concessional contributions cap

In the 2009 Federal Budget, the Government announced:

- a reduction of the concessional contributions cap from \$50,000 to \$25,000 (indexed); and
- a reduction of the transitional concessional contributions cap from \$100,000 to \$50,000 (not indexed) for those aged 50 years old or older for the 2009-10 to 2011-12 financial years.

The annual cap on non-concessional contributions remains at \$150,000 (indexed) for the 2009-10 financial year. In the future, the cap will be calculated as six times the level of the (indexed) concessional contributions cap.

These changes have received royal assent.