

PERSONAL TAX MATTERS*Tax Rates from 1 July 2010*

Tax cuts will become effective from 1 July 2010. The 30% tax threshold will be raised to \$37,000 (from \$35,001) and the 38% rate (from \$80,001) will fall to 37%.

Now is the time to bring forward deductions and defer income if you can.

Medicare levy surcharge – income tests

The Medicare levy surcharge thresholds for the 2009–10 income year are:

\$73,000 if you are a single person with no dependent children

\$146,000 if you are part of one of the following:

a family (including a couple) with or without dependent children

a single parent family.

The levy will be imposed if you do not have a certain level of private health cover and your income exceeds these thresholds. From the 2009–10 income year 'income for surcharge purposes' includes, reportable fringe benefits, total net investment losses and reportable super contributions.

Home office claim

If you are going to claim a home office expense in this financial year, now is the time to start your four week diary! You can claim the additional running expenses for your home office using a fixed rate of 26 cents per hour.

Please retain your receipts to ensure deductibility of your work related expenses.

SMALL BUSINESS UPDATES

Now is the time to use your March 31 activity statement to get an idea of your estimated tax position for the end of this financial year. You should then review your cash flow to determine whether or not to make additional super contributions.

SUPERANNUATION AND SELF MANAGED SUPER FUNDS*Superannuation co-contribution calculator*

Use the following link to determine if you are eligible for super co-contribution -

<http://www.ato.gov.au/individuals/content.asp?doc=/content/44186.htm>

Self managed super fund trustees

Want to know more as a trustee running your self managed super fund? Please see attached link for further information - <http://www.smsftrustee.com/cpa/html/home.asp>

PRACTICE NEWS

Please call me if you would like to make a time to discuss your taxation planning prior to the end of the financial year. There are a number of tips that can assist you in saving money.

Please note a budget brief will issue via this newsletter after budget night.



Rowena Thiele

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Current Personal Tax Rates

Taxable income	Tax on this income
0 to \$6,000	Nil
\$6,001 to \$35,000	15c for each \$1 over \$6,000
\$35,001 to \$80,000	\$4,350 plus 30c for each \$1 over \$35,000
\$80,001 to \$180,000	\$17,850 plus 38c for each \$1 over \$80,000
\$180,001 & over	\$55,850 plus 45c for each \$1 over \$180,000

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