

PERSONAL TAX MATTERS

Education Tax offset

Don't forget to keep all your receipts for expenditure on your children's education. Eligible education expenses include computers and computer related equipment, home internet, computer software, school stationery and textbooks and tools of trade relating to a child completing a school-based apprenticeship.

The total of eligible education expenses which can be claimed in 2010 has increased. **Primary school child** can claim a 50% tax offset for up to \$780 (i.e. a tax offset of up to \$390 per child and a **Secondary school child** can claim a 50% tax offset for up to \$1558 (i.e. a tax offset of up to \$779 per child). **This offset is a cash payment to the recipient of Family Tax Benefit Part A.**

Reportable Employer Super Contributions ("RESCs")

From 1 July 2009, an employer who makes RESCs on behalf of an employee for an income year will need to disclose the total amount on the employee's payment summary at a new label for RESCs. RESCs include salary sacrificed contributions made under an effective salary sacrifice arrangement in excess of the 9% Super Guarantee.

RESCs will be taken into account for means testing a range of tax related concessions/obligations. The income tests relating to the tax concessions and obligations will include both an individual's RESCs and any deductible personal contributions claimed.

New income test reforms- total net investment losses ("TNIL")

Under the new rules, TNILs for an income year will be included in the following income tests; SATO, Medicare levy surcharge and HELP and SFSS repayments. This will be effective from 1 July 2009. TNILs will continue to be tax deductible.

SMALL BUSINESS UPDATES

New non commercial loss rules

From 1 July 2009 sole traders and partners with a business loss will be required to quarantine these losses if their adjusted taxable income is \$250,000 or more. Adjusted taxable income is calculated as the sum of the individual's taxable income, reportable fringe benefits total, reportable superannuation contributions and total net investment losses. These losses will be carried forward to the next financial year.

SUPERANNUATION AND SELF MANAGED SUPER FUNDS

Beware of Super Penalties – Concessional Super Contributions

You may wish to confirm that you are within the concessional super contribution limits for your age group before year end on contributions made by both you and your employer. This will avoid any risk of penalties for excessive contributions. People under the age of 50 can contribute up to \$25,000 and people over the age of 50 can contribute up to \$50,000.


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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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