

The Guardian

May/June 2007

"Keeping you informed"

2007 Federal Budget

You may or may not have had the time to read and absorb the announcements made by the Treasurer on the 8th May. We have picked out some of the changes to the tax system that are most relevant to you.

- ✓ The 30% tax bracket has increased from \$25,000 to \$30,000 (a \$750 saving)
- ✓ The low income tax offset has increased from \$600 to \$750 (effectively making the tax free threshold \$11,000)
- ✓ Senior Australians now won't pay tax if their income is below \$25,867 (\$43,360 for couples).
- ✓ The Child Care Tax Offset is now a direct payment after the end of the financial year (no more waiting at least 12 months after the financial year)
- ✓ The Super Co-Contribution for 2005/06 will be doubled in a once off reward (If you contributed \$1,000 you may be eligible for another \$1,500 co-contribution)
- ✓ GST Registration threshold has increased from \$50,000 to \$75,000 (potentially a \$2,500 cash bonus, and more business will be able to lodge annual BAS)
- ✓ From 2007/2008 onwards, taxpayers with simple tax issues will be able to use an electronically pre-filled tax return

For more details of the 2007 budget visit www.treasurer.gov.au

The information provided in this newsletter is intended as a guide only. Any specific advice should be sought by directly approaching Guardian Accounting.

What we're up to!

We're excited to announce that we have now moved to North Queensland and established our practice! We will be concentrating on serving the local areas of Townsville to Ingham, but of course will maintain our excellent service to our other important clients in areas as far South as Melbourne, North to Cairns and West to Emerald. An integral part of our firm is operating from a home office so that we can be more flexible to meet the needs of our clients as well as passing on the cost savings. We look forward to seeing you in the new financial year

Where are you going?

The year is approaching the half way mark already! Did you set any goals in January and how is your progress going? June is a great time to review your goals, and if you didn't set any, then there is no time like the present! Remember the SMART guide to goal setting:

Specific
Measurable
Attainable
Realistic
Timely

Use these as a guide to setting new goals and reviewing current goals. Also, it is helpful to be Accountable, that is, let the people in your life know your goals and ask them to keep you accountable.

Good luck, and we look forward to helping you achieve your goals in the future.

June 30 is coming...

It is only 7 weeks until the end of the financial year. Are you ready? And have you reviewed your tax position to make sure you don't pay more tax than you need to?

As a guide the following tips will help you reduce your tax liability and boost your bank balance:

- ✓ Defer income prior to June 30
- ✓ Prepay post June expenses prior to June 30
- ✓ Review your investment performance to take advantage of any under-performers
- ✓ Consider contributing up to \$1,000 into super (the Govt may pay an additional \$1,500)
- ✓ Businesses should do a stock take to enable stock write-offs
- ✓ Companies should consider Directors Fees & Bonuses
- ✓ Companies should review any shareholder/employee loans
- ✓ Businesses with losses should ensure that they meet the non-commercial loss tests
- ✓ Ensure that any superannuation is paid & received by the super fund prior to June 30
- ✓ All salary packages should be reviewed in light of the tax cuts
- ✓ All businesses and investors should review their business/investment structure and the alternatives available
- ✓ Review your business & personal budget, if you have one (If you don't have one, get started!)