

# The Guardian

*"Keeping you informed"*

## Super trust & company contributions

The ATO has released an Interpretive Decision (ID 2007/145) which accepts that directors and trustee's can be regarded as employees of the company or trust even if the entity only has passive investments. Previously, the ATO considered that directors and trustees were not employees of the entity and so the entity could not pay superannuation contributions on behalf of the directors/trustees. This new decision now improves the availability for employees, who previously could not claim a deduction for super contributions, to now contribute to super instead of receiving their trust distribution.

## 2007/08 TAX FREE Trust distributions

Due to the increased Low Income Rebate for 2007/08, the amount that can be distributed from trusts tax free to children is now \$1667. The tax free threshold has also been increased to \$11,000. The result is that a family of 2 adults and 3 minor children can now earn \$34,274 tax free!

## Spouse Rebate Increase

The 2007/08 Spouse Rebate has been increased to \$2,100. This means that the income earning spouse will not pay tax on the first \$23,727.

## Vehicle & Equipment Finance

Guardian Accounting is an authorised broker for Macquarie Leasing. This means that we can offer our clients special rates on vehicle and equipment finance. You'll also be assured that we can recommend the finance product which minimises your personal or business taxation.

So when you next consider financing your new vehicle or equipment, give us a call for a free no obligation quote.

## The lighter side of life

*Two accountants are in a bank, when armed robbers burst in. While several of the robbers take the money from the tellers, others line the customers, including the accountants, up against a wall, and proceed to take their wallets, watches, etc. While this is going on accountant number one jams something in accountant number two's hand. Without looking down, accountant number two whispers, "What is this?" to which accountant number one replies, "it's that \$50 I owe you."*

## Due Dates

21<sup>st</sup> October - Monthly BAS  
28<sup>th</sup> October - Quarterly Instalment Notice  
29<sup>th</sup> October - Quarterly Superannuation  
21<sup>st</sup> November - Monthly BAS  
25<sup>th</sup> November - Quarterly BAS

## Looking for a way to pay your employees more, by paying them less?

Sounds like a contradiction, but an employee's salary can consist of both cash and non cash payments. Cash is generally taxable and non cash payments are generally subject to Fringe Benefits Tax at 46.5%. But, the exception to paying FBT is to pay your employee's with items that are exempt from FBT or at least taxed concessionally. Such items include laptop computers, work related tools and equipment, mobile phones, and cars. The advantage for the employee is that they can get a partially tax free salary, and the employer gets to claim the GST on the salaried items, unlike a cash wage.

If you would like more information on how to make the most of the FBT exemptions for you and your employees please give us a call or email. We also offer a Salary package service that takes care of your salary package administration for tax deductible \$22 per month deducted from the employee's regular pay.

## Thought for the day

*Luck comes to those  
who answer the door  
when opportunity knocks*

