

YEAR TO DATE IN REVIEW

TCC Accounting Services wish our clients a very Merry Christmas and a prosperous New Year. The office will be closed from Tuesday 23 December 2008 at 12.00pm and will re-open on Tuesday 6 January 2009 at 9.00am.



UPCOMING DATES TO REMEMBER

- **22 December 2008** - lodgement and payment deadline for Business Activity Statements for clients reporting for the month of November 2008.
- **22 December 2008** - lodgement and payment deadline for Instalment Activity Statements for clients who are on monthly reporting for Pay As You Go Withheld for employees.
- **21 January 2009** - lodgement and payment deadline for Business Activity Statements for clients reporting for the month of December 2008.
- **21 January 2009** - lodgement and payment deadline for Instalment Activity Statements for clients who are on monthly reporting for Pay As You Go Withheld for employees.
- **28 January 2009** - super guarantee - next quarterly 9% super payment due for the October to December 2008 quarter.
- **21 February 2009** - lodgement and payment deadline for Business Activity Statements for clients reporting for the month of January 2009.
- **21 February 2009** - lodgement and payment deadline for Instalment Activity Statements for clients who are on monthly reporting for Pay As You Go Withheld for employees.
- **28 February 2009** - lodgement and payment deadline for Business Activity Statements for the October to December 2008 quarter.
- **28 February 2009** - lodgement and payment deadline for Quarterly PAYG Instalments for the October to December 2008 quarter.
- **28 February 2009** - final date for lodgement and payment of 2007/2008 Income Tax Returns for all Companies and Superannuation Funds that were not required to lodge earlier, including new registrations.

FRINGE BENEFITS

Christmas Parties

Except for tax exempt organisations, food and drink provided to employees on the employer's premises on an ordinary working day are exempt from FBT. Any function provided for employees not on the employer's premises is subject to FBT, except in limited circumstances. Christmas parties are exempt from FBT as minor benefits if the total value of the benefit to each employee is under \$300 each.



Gifts

As a general rule, any gifts provided to an employee or family member by the employer are subject to FBT because those benefits constitute a property fringe benefit. However, gifts that cost less than \$300 may be classified as minor benefits which are exempted from FBT.

Gifts to Clients

Generally gifts given to clients will not be subject to FBT; the only tax consideration is the deductibility of the gifts. For gifts like alcohol or food hampers, income tax deductions are allowable and input tax credits are claimable.

THE IMPORTANCE OF INVOICES

The humble tax invoice and its modest sibling the invoice are integral parts of the GST regime. This is because one of the fundamental principles of GST is that a registered entity is only entitled to an input tax credit (ITC) if it possesses a valid tax invoice at the time of lodging its GST return.

Requirements of a Tax Invoice

The requirements for a valid tax invoice are that it must:

- Be issued by the supplier, unless it is a recipient created tax invoice
- Set out the ABN of the entity that issued it
- Set out the GST inclusive price of the taxable supply
- Show the date of issue
- Show a Statement to the effect of “the total price includes GST”, or “the total amount of GST”.

CGT UPDATE

Small business owners should have a sound knowledge of the small business concessions when considering the tax consequences of a CGT event. If the assets are active assets then the small business concessions may apply. It becomes a little more complicated when you run your business through a Trust or Company.

Before applying the concessions all net capital losses must first be deducted from the net capital gain, for example:

Net capital gain	20000.00
Less net capital losses	<u>1000.00</u>
	19000.00
Less individual discount 50%	9500.00
Less small bus discount 50%	<u>4750.00</u>
	\$4750.00

Using the concessions, the remaining 25% may be rolled into another business, or into your super fund to avoid paying tax.

To discuss your particular circumstances and how the concessions may be of use to you, please contact us.

SUPERANNUATION UPDATE

All small business owners should have an understanding of the benefits that super can have for you. Whether it be a tax planning tool or strategy to save for retirement.

A business owner can, if under 50, contribute \$50,000.00 tax deductible into super and save paying tax of at least 15%. If you are over 50 you can contribute a maximum of \$100,000.00.

In these unstable economic times, I believe that self-managed super is a good alternative for the main reason that you have control over your money. You can put it in the bank, invest in property (for example your own business premises), or the equities market. Before making any investment decisions you should contact a financial planner.



The Team at TCC Accounting Services wish you a very Merry Christmas and we look forward to seeing you in 2009.

STAFF UPDATES

Peter and **Carolyn** are in training for a cycling tour of the South West Region of Western Australia in March. In the meantime, Peter is kept busy with the Practice. He will be watching the cricket in Sydney over the Christmas break.

Claire is busy getting organised for her wedding in March. She has also completed her second last CPA unit, receiving a High Distinction - making that 5 High Distinctions out of 5 subjects completed.

Paul has completed his university course and is looking forward to a real break over the Christmas period.

Melody will be starting Uni next year to do an Accounting degree and is looking forward to the Christmas break before commencing study.

Janelle will be taking leave and having a well deserved break over the school holidays and hopes to enjoy the warmer weather with her family.

Kim is looking forward to the holiday break.

Alison is getting back into the swing of work again after having 4 months off on maternity leave. She is looking forward to her daughter's first Christmas and some relaxing family time in the Christmas break.

Angela is looking forward to the New Year and is keeping very busy with work, Christmas parties and chasing after a very active two year old.

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