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WELCOME TO OUR MARCH EDITION OF BEHIND THE NUMBERS BIMONTHLY NEWSLETTER

IN THIS ISSUE

Behind the Numbers Newsletter

by John Costa

Welcome to EJC Advisory

Well Mad March is done and our power is back. It's time for businesses and individuals to concentrate on finishing the year off on a high.

As we enter the last quarter of the year it is good to remember that this is the quarter that can turn a bad year into a good year or a good year into an extraordinary year.

It is also the quarter where we start to make our decisions on how best to minimize your tax this year as well as the best options for your wealth creation plans.

This leads me to repeating one of my favorite quotes in relation to wealth. It revolves around defining someone's wealth. Is it simply the amount they have in their bank account? Is it the size of their house or the cars they drive? I think it goes further than that.

"Wealth is about doing what you want, when you want, in a manner that you want!"

This inherently makes wealth a subjective ideal. One person's wealth may be to travel the World First Class whilst the next person's may be to see a movie every Tuesday.

However you personally define what wealth looks like to you, one thing is for certain – If you don't have a plan to reach that goal; your chances of becoming wealthy will significantly reduce.

Sure there is the odd outlier who wins the lottery or is in the right place at the right time, but I enjoy reading and studying some of the 'wealthiest' people in the world and the one thing they all have in common is having a goal and a desire so strong to reach that goal nothing was going to stop them – See Elon Musk with Space X.

This is the same with businesses. Without a goal and a plan the business becomes a rudderless ship. Setting a goal allows business decisions to be made much more effectively and efficiently. "Will this help me reach my goal? Yes – do it, No – don't do it".

Coming up with a suitable goal is not always easy and that's where we come

- Making 'Cents' of Car Allowance.
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in. We have training and experience in setting, articulating, (and communicating the goal with your team) in a manner that makes it easy to understand and easy to create a plan to achieve.

Once that step is done all you have to do is go out and live to make your goal a reality.



Bookkeeping - Need a little help?

Do you worry about keeping your business compliant with the ATO?

Do you struggle to keep your bookkeeping up-to-date?

We now offer bookkeeping services to aid small businesses by recording and maintaining its financial records. Some tasks that are offered include:

- Accounts Payable
- Accounts Receivable
- Payroll
- Banking
- General Ledger
- Taxes
- Reporting
- Clerical
-

We are currently offering this service for \$30 per hour to existing clients.

FOR MORE INFORMATION

The scope of bookkeeping duties depends on the size of a company and its needs. Give us a call to seek professional advice specific to your circumstances.

BOOKKEEPING SERVICES
Call us 08 8522 2744

Making 'cents' of Car Allowances

Changes to car allowances mean if you are paying your employees a car allowance in excess of 66c per kilometre, you need to withhold tax on the amount you pay over 66c.

If you haven't been doing this since July 2015, you should begin to withhold tax on the amount you pay over 66c and advise your employees.

What if your employees think that not withholding until now might result in them getting a tax bill?

Depending on the amount you've paid them, this shouldn't have a significant impact on their tax for the year. But you can agree to increase the amount you withhold for the remainder of the financial year to cover the shortfall.

If you have any questions give us a call.



Fuel Tax Credits – Rate Increase.

Fuel tax credit rates increased in February 2017. Use the latest rates to make sure you claim the full amount you are entitled to.

Fuel tax credit rates change regularly. They also vary depending on when you acquire the fuel, what fuel you use and the activity you use it for.

Fuel tax credit rates are indexed twice a year, in February and August, in line with the consumer price index (CPI). The CPI is released towards the end of January and July. Fuel tax credit rates will be updated as soon as they become available.

Rates may also change for fuel used in a heavy vehicle for travelling on public roads.

This is due to changes to the road user charge which is reviewed annually.

If you claim less than \$10,000 in fuel tax credits in a year, there are simpler ways to record and calculate your claim.

There are time limits for claiming fuel tax credits, making adjustments and correcting errors – generally, you must claim or amend your claim within four years.

DID YOU KNOW..

"The Reserve Bank has left the official cash rate on hold at 1.5 per cent for the sixth meeting in a row.

The RBA was widely expected to keep rates steady at its March meeting after the national accounts released last week showed a marked turnaround in economic growth

Reserve Bank governor Philip Lowe last month spoke three times about keeping rates on hold to balance the need to boost inflation while maintaining financial stability amid record household debt.

Are Your Suppliers Registered for GST?

Did you know you can't claim GST credits on purchases if your suppliers aren't registered for GST, even if you received an invoice with an ABN and a GST amount on it?

It pays to be careful, so why not check your suppliers' GST registration

There are also some property transactions where you can't claim any GST credits, for example, buying a property via the margin scheme. Understanding the rules for GST and property can help you avoid making expensive mistakes.

If you're eligible to receive GST credits on a property transaction, you can claim them when you lodge your Business Activity Statement (monthly or quarterly) or an annual GST return.

Goods Taken From Stock for Private Use

If you take items from your business' trading stock for your own use, make sure you include the value of these items as part of your business' assessable income.

To do this, you should record the actual value of the goods (excluding GST) or use estimates provided by the ATO if you are a sole trader or in a partnership.

The ATO estimates are updated yearly and are available for the following in a partnership. The ATO estimates are updated early and are available for the following industries:

- Bakery
- Butchery
- Restaurant/café
- Caterer
- Delicatessen
- Fruiterer/greengrocer
- Takeaway food shop
- Mixed business (including milk bar, general store and convenience store).

For more information on amounts the ATO accepts as estimates and small business benchmarks, seek advice if you are unsure how to treat stock used for private purposes in your accounts for tax purposes.

Fringe Benefits Tax (FBT)

Fringe benefits tax (FBT) is a tax employers pay on certain benefits they provide to their employees, including their employees' family or other associates. The benefit may be in addition to, or part of, their salary or wages package.

If you are a director of a company or trust, benefits you receive may be subject to FBT.



Fringe benefits tax is separate to income tax and is calculated on the taxable value of the fringe benefits provided. The FBT year runs from 1 April to 31 March.

Types of Fringe Benefits:

- Car fringe benefits
- Carparking fringe benefits
- Entertainment and fringe benefits
- Expense fringe benefits
- Loan fringe benefits
- Debt waiver fringe benefits
- Board fringe benefits
- Living away from home allowance fringe benefits
- Property fringe benefits
- Residual fringe benefits

Super for the Self-employed

Many small business owners don't start paying super for their retirement until they are into their 50s. Often they see their business as a retirement asset, however, the value of the business usually drops significantly when the owner stops working.

It helps to start paying into your super account early. The longer you contribute to super, the larger your retirement income will be when you stop working. Being self-employed, you may be able to claim a full tax deduction for contributions you make to your own super until you turn 75. You may also be eligible for the super co-contribution payment.

If you're a sole trader or in a partnership, you generally don't have to make super guarantee (SG) payments for yourself.

But you may want to make personal contributions to super as a way of saving for your retirement.

From 1 July 2017, regardless of whether you're self-employed or not, most people will be able to claim a full deduction for contributions they make to their super until they turn 75 years old. Those aged 65 to 74 will still need to meet the work test in order to be eligible to make a contribution and claim a tax deduction. Keep in mind that contributions you make may attract extra tax if they exceed the contributions limit for that year.

You may also be eligible for the super co-contribution payment. This helps eligible low-to-middle income earners save for their retirement. If you're eligible and you make personal super contributions, the government will match your contribution up to certain limits, unless you have claimed your contribution as a tax deduction.

If you want to discuss retirement planning *now is the time to act!* So why not give us a call to discuss your options 8522 2744.

FOR MORE INFORMATION

This information is general in nature and intended to be a guide only. You should not act on any of this information but instead you should seek professional advice specific to your circumstances.

PLANNING AND SUPERANNUATION
Call us 08 8522 2744

THE FUNNY PAGES...



“A goal without a plan is just a wish”- *Antoine de Saint-Exupery*