

MEADS *focus*

ADDRESSING THE NEEDS OF BUSINESS PROFESSIONALS
AND PLANNING FOR A SECURE FUTURE.

With Christmas fast approaching it is important that you try and build a buffer in your cash flow now to ensure that you are not under pressure during the festive season. If you require some assistance in reviewing your cash flow please give us a call.

Lodgements Due

2007 Income Tax Returns are due on 31 October 2007 for:

- clients with one or more prior year income tax returns outstanding as at 30 June 2007.
- new clients for whom have not authorised a Tax Agent to complete their tax returns. (Please note that for a Tax Agent to act on behalf of an individual the authority needs to be lodged by 31 October 2007).

Fuel Tax Credits

Some of you may be unaware that you may be eligible for fuel tax credits. If you run a business in industries such as building and construction, manufacturing, mining or transport and uses fuel in eligible activities then you may be eligible. For more information please contact our office.

New Tax File Number Declaration Form

Changes to super laws and tax file numbers (TFN) mean that a new TFN declaration form is now being used. Please destroy old stocks and order new forms from the ATO or pick up from your local Newsagent.

The changes are that when an employee completes a TFN declaration form their employer must pass on the TFN to their super fund if the employer makes super contributions on their behalf. If an employer does not pass on the employees TFN within the set timeframe then the employer could face penalties.

Low Income Rebate

From 1 July 2007 the low income tax offset increased to \$750 per year and the 30% threshold rose from \$25,000 to \$30,000.



HOT TOPIC!

COMPULSORY TRUSTEE DECLARATIONS

From 1 July 2007 all new trustees or directors of corporate trustees of self managed superannuation funds (SMSF) must sign a self managed superfund trustee declaration acknowledging that they are aware of their duties and responsibilities under the Superannuation Law.

The declaration must be signed within 21 days of becoming a trustee or a director of a corporate trustee of a SMSF and must be retained by the trustee for at least 10 years.

OTHER HOT TOPICS



Important Dates

Take Note:

October 2007:

21st: September Monthly BAS

31st: Individual Tax Returns if prior years not lodged.

November 2007:

21st: October Monthly BAS

25th: September Quarter BAS if lodged by Tax Agent

December 2007:

21st: November Monthly BAS



COMPULSORY PAYSLEIPS & OTHER RECORDS

All employers covered by the new Federal Work Choices Legislation are required to issue written pay slips to employees. This came into effect as of 27 March 2007.

The pay slips must include:

- The date and the period of payment.
- The gross, tax and net amounts of payment.
- Any deductions made.
- Any allowances, bonuses, etc.
- For employees paid an hourly rate, require the ordinary hourly rate of pay and number of hours worked.
- Any overtime or penalty rates paid or loadings.
- The amount of each superannuation contribution the employer makes or is liable to make during the period to which the pay slip relates.
- The name of the superannuation fund.

For further information details can be found on the following website:

<https://www.workchoices.gov.au/ourplan/publications/WorkChoicesandtimeandwagerecords.htm>



IMPROVING YOUR CASH FLOW

A healthy cash flow is essential to a successful business. Here are some tips to improve your cash flow:

Prepare a cash flow budget

- This should be a month by month annual budget.
- Regularly review actual to budgeted cash flows.

Review your receivables collection policy

- Send bills out quickly.
- Bank money promptly.
- Follow up overdue accounts as delays decrease the likelihood of being paid fully.

Ensure your products/services are priced correctly

- Ensure you have priced your products so that they are profitable.
- Review your price regularly and adjust as necessary.

Increase your number of customers

- Identify who your target markets are.
- Identify who else could want your products/services, list every possibility and put a dollar figure on each.

Capital Purchases

- Ensure you have the right financing in place, e.g. hire purchase, finance lease, rental lease or chattel mortgage.

ATO AUDIT TARGETS

The Tax Office have announced that they are stepping up audit activity and the main areas to be targeted are as follows:

Income matching

Every year the tax office conducts computerized cross matching of taxpayers tax returns to ensure income earned has been included in tax returns.

The information is cross checked with banks, Centrelink, company share registers, state titles offices and employers PAYG payment summaries.

Rental Property Owners

The tax office are looking at rental property owners' tax returns with a particular emphasis on claims for:

- Repairs
- Interest
- Borrowing expenses
- Depreciation and;
- Capital allowance

Not declaring capital gains on disposal of shares or property

The tax office continues to compare lodged tax returns with share trading and rental property sales data. The ATO obtains this information from share registers and state titles offices.

Furthermore the Tax Office will be paying particular focus on the following occupations:

- Tourism, travel consultants and tour guides.
- Fitness & sporting industry.
- Construction trades people who are employees.
- Guards & security employees.
- Mining site employees.



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