

Read our latest Business Update

[View this email in your browser](#)



BUSINESS UPDATE



JUNE 2018

In this Business Update

- [Reduced Company Tax Rate Increased to \\$25m Turnover](#)
- [Single Touch Payroll](#)
- [Superannuation Guarantee Amnesty](#)
- [Extension of \\$20,000 Low Cost Asset Write Off \(for Small Businesses only\)](#)
- [Tax Planning](#)
- [Increase in Payroll Tax Threshold](#)

REDUCED COMPANY TAX RATE INCREASED TO \$25M TURNOVER

For the purposes of accessing the lower company tax rate of 27.5% for the 2017/18 financial year, the turnover threshold has increased from \$10m in 2016/17 to \$25m in 2017/18.



SINGLE TOUCH PAYROLL

If you have 20 or more employees, Single Touch Payroll will commence on 1 July 2018.

Single Touch Payroll is a reporting change where businesses will be required to report payments such as salaries and wages, pay as you go (PAYG) withholding and superannuation information from your payroll solution each time you pay your employees.

If you have more than 20 employees and have any questions around Single Touch Payroll, please do not hesitate to [contact us](#).

If you have less than 20 employees, Single Touch Payroll is proposed to commence 1 July 2019.

The key to being prepared for Single Touch Payroll when it commences next year is to ensure your software provider is up to date and ready for the change. If you are still using an old version of software or manually preparing your payroll, you should consider upgrading your payroll software. This will make the additional reporting obligations seamless with the data lodging to the ATO directly from your software.

Visit: www.ato.gov.au/Business/Single-Touch-Payroll for further information.



Xero is our preferred software.

Xero is an online accounting software with features including automatic daily feeds of your bank transactions, online file storage and online invoicing and payment reminders. What's more, Xero is already compliant with Single Touch Payroll.

SUPERANNUATION GUARANTEE AMNESTY

On 24 May 2018, the Government announced a proposed 12-month amnesty period allowing employers a one-off opportunity to self-correct past superannuation guarantee (SG) non-compliance without penalty.

Subject to the passing of the legislation, the amnesty will run from 24 May 2018 to 23 May 2019 (and does not include the current April to June 2018 quarter due 28 July).

Eligibility

- Voluntarily disclose amounts of SG shortfall (covering the period 1 July 1992 to 31 March 2018) within the 12-month Amnesty period,
- Disclose amounts of SG shortfall that have not previously been disclosed, and
- Not be subject to an audit of your SG for the relevant periods.

Benefits

- Normally, administration fees and penalties are payable on late payments of super guarantee
- Catch-up payments made during the 12-month amnesty period are tax deductible

How to access the amnesty

If you intend to make a full payment of the shortfall, you need to complete the [SG Amnesty Fund Payment Form](#)

If you intend to pay off the shortfall in instalments, you need to complete the [SG ATO Payment Form](#)

Completed forms need to be lodged electronically through the Business Portal or contact us and we can lodge on your behalf.



IT IS IMPORTANT TO NOTE

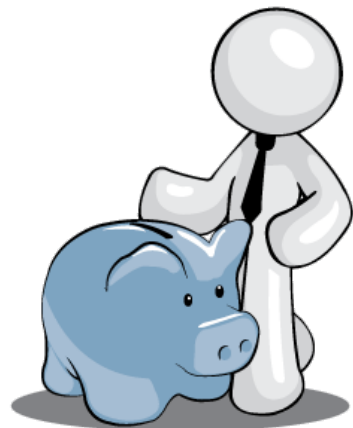
This measure is not yet law.

We recommend you not apply for the amnesty until the law has completed its passage through the Parliament and full penalties for non-compliance can be determined.

EXTENSION OF \$20K LOW COST ASSET WRITE OFF (SMALL BUSINESSES ONLY)

If you buy an asset by 30 June and it costs less than \$20,000, you can write off the business portion of that asset in the 2017/18 financial year.

The \$20,000 threshold was first introduced in May 2015 and was set to expire on the 30 June 2018 – however the government announced a 12-month extension to 30 June 2019 in the most recent budget (not yet law).





TAX PLANNING

All businesses have a right to arrange their financial affairs to keep their tax to a minimum. Following are some simple ways to reduce your end of year tax bill:

1. Defer income – if cashflow allows, defer the invoicing (for ‘accrual’ accounting) or collection (for ‘cash’ accounting’) of sales until July.
2. Bring forward expenses – for business operating under a ‘cash’ accounting system, expenses are deductible when they are paid – if cashflow allows, pay all outstanding bills before 30 June.
3. Prepayments (small businesses only) – expenses prepaid by a small business are immediately deductible as long as the expense relates to a period less than 12 months.
4. Review your Debtors for any bad debts that can be written off before 30 June.
5. Review your Asset Register and write off any scrapped or obsolete assets.
6. Perform a stocktake and write off any obsolete trading stock.
7. Utilise the \$20k low cost asset write off (for small businesses only).
8. Pay your June quarter superannuation before 30 June 2018.
9. Make additional concessional (tax deductible) superannuation contributions before 30 June 2018.
10. Contact your bank and consider prepaying interest on a tax deductible loan.

These are just some of the strategies that can be used to reduce your tax. To clarify any of the above specific to your business, please do not hesitate to [contact us](#).

INCREASE IN PAYROLL TAX THRESHOLD

As part of the 2018/19 State Budget, the NSW Government have announced an increase to the payroll tax threshold from \$750,000 to \$850,000 in FY 2018/19 followed by annual increases of \$50,000 to \$1 million by FY 2021/22.

Businesses currently over the existing payroll tax threshold will save:

- \$5,450 in 2018-19;
- \$8,175 in 2019-20;

- \$10,900 in 2020-21; and
- \$13,625 in 2021-22 and beyond.



[Download a PDF copy of this update here](#)

Important: This is general advice only and does not take into account your financial circumstances, needs and objectives. Before making any decision based on this document, you should assess your own circumstances or seek advice from a financial planner and seek tax advice from a registered tax agent. Information is current at the date of issue and may change.

P: (02) 4341 9000

W: hcpartners.com.au

E: info@hcpartners.com.au

BUSINESS
SERVICES

PERSONAL
TAX

SUPER
SMSF

FINANCIAL
PLANNING

Important: This is not advice. Clients should not act solely on the basis of the material contained in this bulletin. Items herein are general comments only and do not constitute or convey advice per se. Also changes in legislation may occur quickly. We therefore recommend that our formal advice be sought before acting in any of the areas. This bulletin is issued as a helpful guide to clients and for their private information. Therefore it should be regarded as confidential and not be made available to any person without our prior approval.

Copyright © 2018 HC Partners. All rights reserved.

You are receiving this email because you opted to receive our newsletter electronically.

Our mailing address is:

HC Partners
First Floor Suite 3, 326 West Street
(Cnr Berith Street)
UMINA BEACH, NSW 2257
Australia

[Add us to your address book](#)

[unsubscribe from this list](#) [update subscription preferences](#)

MailChimp