



More than just numbers

We grow with your business



THE CP CATCHUP

WELCOME TO THE SECOND EDITION OF THE CP CATCHUP

APRIL / MAY 2012

The months are flying by and the end of the financial year is fast approaching! This of course means an extremely busy period for accountants and clients alike. The final deadline for most 2011 tax returns is 15 May 2012.

Tax planning 2012 – make an appointment now!

Don't forget to register yourself under the secure client login at www.cpnnumbers.com.au and follow us:



Small Business Benchmarks - The ATO's Continued Focus on the Cash Economy

The small business benchmarks help businesses compare their performance against the rest of their industry. They are also used in the ATO's risk-assessment and audit-selection activities. The ATO has now benchmarked the key business ratios across 107 industries, covering 600,000 businesses. In the next 12 months the ATO will publish benchmarks for a further 30 industries where there is a high risk of cash economy activity.

The ATO's use of benchmarks shows that many businesses appear to be doing the right thing. However, the ATO has identified 46,000 businesses potentially under-reporting their cash income. The ATO will be contacting tax agents of these clients to identify any particular reasons for this. Businesses outside industry benchmarks may need to review their record-keeping and business management practices. The ATO state that they will always take into account the individual circumstances of each business they review based on records maintained by that business. Where a business does not have records to show its income and expenses, the ATO can and will use their benchmarks and other information available to them to assess the profits of the business. Default assessments may include an additional penalty of up to 75% of the tax liability. Businesses can also incur penalties for failing to either maintain correct records or to keep them for the statutory five years.

Baring this in mind we will be evaluating all clients in regard to bookkeeping, use of benchmarks and how reported profits and/or incomes compare with client life styles. If you would like a review carried out sooner rather than later for piece of mind or simple self-evaluation please do not hesitate to book an appointment with us.

To review the ATO's benchmarks please visit www.ato.gov.au/businessbenchmarks

ATO's New Property Webpage

Tax Commissioner, Michael D'Ascenzo, recently launched the ATO's new one-stop webpage Property.

"Our new webpage provides practical guidance and easy access to all the ATO's property-related tax information in the one location," Mr D'Ascenzo said.

The ATO's Property page outlines information on property topics including:

- Income Tax;
- Capital Gains Tax (CGT);
- Goods and Services Tax (GST);
- Residential rental properties;
- Property used in running a business
- Property development; and
- Building and renovating.

The new ATO property site can be found at www.ato.gov.au/property



Contributing to Your Super - What You Need to Know

There are caps on the amount you can contribute to your superannuation each financial year that are taxed at lower rates. If you contribute more than the caps, you may have to pay extra tax. There are two types of contributions and the caps are different for both. We call these concessional and non-concessional contributions.

Concessional contributions are sometimes known as 'before-tax' contributions and generally include:

- the 9% super guarantee your employer has to contribute for you;
- any extra voluntary super contributions your employer makes;
- salary sacrificed amounts - **note the employee is responsible to make sure that they do not exceed contributions caps when they salary sacrifice their salary into superannuation;** and

- personal contributions you make and can claim as a personal super deduction in your income tax return.

The 2011-12 concessional contributions cap is \$25,000 for people under 50 years old and \$50,000 for people 50 years old and over.

Non-concessional contributions are sometimes known as 'after-tax' contributions and include:

- personal contributions you make from your after-tax income - you cannot claim a personal super deduction in your income tax return for these;
- contributions your partner makes to your super fund account; and
- any contributions made over your concessional contributions cap.

The 2011-12 non-concessional contributions cap is \$150,000 for everyone.

For further information please contact this office or visit www.ato.gov.au/content/00313951.htm

Client In Focus - Back In Motion Northcote

Back In Motion Northcote provides leading physiotherapy, massage, pilates and personal training services to Northcote and surrounding suburbs. This new physiotherapy facility features a vibrant, spacious and well equipped studio for rehabilitation, pilates and personal training. It also features 5 consultation rooms and all the modern finishes that make the Back In Motion physiotherapy experience that much better. All services are provided by expert physiotherapists and are claimable with private health cover (extras).

Back In Motion offer:

- **FREE Initial Assessment** to all new clients
- **Money Back Guarantee** – *If you're not thrilled with your experience, they'll refund your money and deliver your next session FREE*
- **FREE 24 Hour Injury Support** Line – 0419 132 894
- **Open 6 Days a Week** – extended evening hours



Back In Motion, 18 High Street, Northcote - www.backinmotion.com.au/practice/details/Northcote

Important Upcoming Dates

May 1st 2012

Victorian Budget

May 8th 2012

Federal Budget

May 15th 2012

All Other Tax Returns Due

May 21st 2012

April 2012 Monthly Activity Statement Due

May 28th 2012

Fringe Benefits Tax Returns Due

June 21st 2012

May 2012 Monthly Activity Statement Due