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# THE CP CATCHUP

WELCOME TO THE SEVENTEENTH EDITION OF THE CP CATCHUP

JUNE 2015

It's almost the end of financial year, and then it starts all over again! Send your information in early this year & stay on top!

Please check out our website at [www.cpnnumbers.com.au](http://www.cpnnumbers.com.au) and don't forget to follow us:



## Accelerated Depreciation for Small Business - Immediate Write-off & Small Business Pool

The government will significantly expand accelerated depreciation for small businesses. It will do this by allowing small businesses with aggregate annual turnover of less than \$2 million to immediately deduct assets they start to use or install ready for use, provided the asset costs **less than \$20,000** (currently, an immediate write-off is generally available for assets costing less than \$1,000). This will apply for assets acquired and installed ready for use between 7:30pm (AEST) 12 May 2015 and 30 June 2017.

Assets valued at \$20,000 or more (which cannot be immediately deducted) can continue to be placed in the small business simplified depreciation pool ("the pool") and depreciated at 15% in the first income year and 30% each income year thereafter. The pool can also be immediately deducted if the balance is **less than \$20,000** over this period (including existing pools).

Ref: NTAA 2015/2016 Budget

## Tax Cuts for Small Business - Effective 1 July 2015

From the 2015/2016 income year, the government will deliver a tax cut to all small businesses:

### ➤ Reduction in company tax rate:

The company tax rate will be reduced to 28.5% (i.e. a reduction of 1.5%) for companies with aggregated annual turnover of less than \$2 million. Companies with an aggregated annual turnover of \$2 million or above will continue to be subject to the current 30% rate on all their taxable income.

Note that, the current **maximum franking credit rate** for a distribution will **remain at 30%** for all companies, maintaining the existing arrangements for investors, such as self-funded retirees.

### ➤ 5% discount on tax payable for other taxpayers:

Individual taxpayers with business income from an unincorporated business that has an aggregated annual turnover of less than \$2 million will be eligible for a small business tax discount. The discount will be 5% of the income tax payable on the business income received by an unincorporated small business entity. The discount will be capped at \$1,000 per individual for each income year, and will be delivered as a tax offset.

Ref: NTAA 2015/2016 Budget



## ATO Warns About Aggressive Phone Scams

The ATO is again warning the public to be aware of a phone scam that is circulating where fraudsters are intimidating people into paying a fake tax debt over the phone. The aggressive scam attempts to force people to pay a fake tax debt over the phone by threatening arrest if they don't comply.

Assistant Commissioner Thomas Ryan said that the ATO would never contact taxpayers about a debt in this threatening manner and urges people to protect their personal details. "We take your privacy seriously. We urge you to be alert to these types of scams and never send money or give your financial details to someone you don't know and trust," said Mr Ryan. "If you do have a tax debt we encourage you to contact us early on 13 11 42 so we can discuss your circumstances".

If people receive a call from the ATO and are concerned about providing their personal information over the phone, they should ask for the caller's name and phone them back through the ATO's switchboard on 13 28 69. If people think they may have fallen victim to a phone scam, they should contact the ATO on 13 28 61 (8am – 6pm, Monday to Friday). For more information and examples of recent scams, visit the ATO website or [www.scamwatch.gov.au](http://www.scamwatch.gov.au).

Ref: NTA Voice – Edition 248

## ASIC Fee Changes as at 1 July 2015

ASIC fees under the corporations, credit and business name regulations were increased on 1 July 2014 based on the Consumer Price Index (CPI) for the March quarter 2014. Here are examples of some common company fees:

- Change of company name \$ 382
- **Late payment fee for up to one month late** \$ 75
- **Late payment fee more than one month late** \$ 312
- **Annual review fee for a proprietary company** \$ 246
- Annual review fee for a registered schemes or a public company \$1,161

**The increase in late payment fees is a timely reminder to ensure you know when your annual review fee due date is each year. We recommend you put this as a yearly reminder in your diary/phone/calendar two months earlier than the due date to avoid late payment.**

Did you know: Companies and schemes can choose to pay their annual review fees in advance for a period of ten years by a single payment at a discounted rate. Advance payment will protect a company or scheme from future fee increases for the term of the payment. Here are examples of the difference in fees when paid in advance for 10 years:

Type of Company or Scheme	Annual Review Fee	Advance Payment for 10 Years
A registered scheme or a public company	\$1,146	\$8,774
A proprietary company	\$243	\$1,823
A special purpose company	\$45	\$342

## John Baker Retirement

We would like to congratulate John Baker on his official retirement at 30 June 2015, after being a part of the CP team for over ten years. With his decades of experience, he has brought a wealth of knowledge, proven by his loyal client base. We would like to take this opportunity to thank John for being a part of the team, and wish him all the best in his retirement.