

www.ProfiTrain.com.au



Another year is behind us and this year looks like it will be another exciting ride for small business and individuals.

What is ahead in 2007?

- A **national election** is due. Politically it looks to be shaping up in an interesting way but, as we all know, politicians have a knack of doing the unpredictable. No predictions here but lets look forward to watching the contest(s), (inter-party and intra-party), as the election gets closer.
- For Rugby supporters it is the **Rugby World Cup**. How are the Wallabies shaping up? 8 Wins, 1 Draw and 6 losses from the last 15 matches indicates there is room for improvement. Good luck to the Wallabies in the Cup year. The All Blacks, the Wallabies old nemesis, look the team to beat on current form.
- **Australia Day**, 26 January, is close by and a time to celebrate the freedom and social diversity we have as a nation together with many other wonderful attributes this wonderful nation has.
- **Business Clean-Up Day** will be held on 27 February 2007. Great way to show that you and your business, as either an owner or employee, can give back to the community and the environment.

For more information go to
www.cleanup.com.au or the full URL is

www.cleanup.com.au/au/getinvolved/busines-s-clean-upday.html

Contact details for ProfiTrain and Chris Stanton-Cook Chartered Accountant

Email: chrissc@profitrain.com.au or csctax@optusnet.com.au

Telephone: 07 3427 2999

Contents

	Page
General	1 / 1
• Welcome	1 / 1
<u>Individual Tax</u>	
• Tax Office targets	1 / 2
• Medicare Levy Surcharge	1 / 2
• Breakdown of Marriage	2 / 1
<u>Business tax</u>	
• GST, BAS and IAS	2 / 2
• Fringe Benefits Tax	2 / 2
<u>Management</u>	
• Turn Key Business	3 / 2
• Mission and Vision	4 / 1

Individual Tax News and Tips

ATO Target areas for employee expenditure

The Taxman is expecting to request over 15,000 taxpayers to provide detailed information about their 2006 work related expenditure claims.

Target areas are:

- Car expenses
- Self education expenses
- Uniform and laundry expenses
- Travel expenses

Beware the 1% Medicare Levy Surcharge.

Many taxpayers appear unaware of the existence of the Medicare Levy Surcharge and are surprised when their expected refund turns to tax payable. Some taxpayers are caught because, although aware of the surcharge, they didn't think their family income would exceed the relevant thresholds.

If you are a single tax payer with no dependents, have a taxable income over \$50,000 and do not have private medical insurance then the levy will be applied to your taxable income. For example if your income is \$53,000 you will be charged \$530 because you didn't hold private health insurance.

If you are married with no more than one dependent child the base threshold is \$100,000.

www.ProfiTrain.com.au

This threshold raises by \$1,500 each additional child.

Should you have private medical insurance just to avoid the threshold?

You need to consider your personal situation, get advice from a qualified health insurance adviser, do the sums and decide what is best for you and, if applicable, your family.

If you are divorced or separated and paying maintenance for your children then you are considered to have dependents and the family threshold will apply to you.

Breakdown of legal or de facto Marriage

This is not the greatest of subjects but if you know anyone going through a divorce there are some tax rules that can save or defer the imposition a lot of tax levied on Capital Gains.

The Tax Office has released information on the Capital Gains Tax rollover provisions that apply to assets transferred between former spouses under a court order on dissolution of a marriage.

It is important to note that the tax concessions do not apply if the arrangement to split the former family assets is not done under a Court Order. In other words, if the parties come to an arrangement outside the courts then Capital Gains Tax will apply at deemed market value on the date of transfer.

Tip: - Come to an arrangement, go to The Family Law Court and have the Family Law Court issue an order that the former family assets be distributed as you want.



Contact details for ProfiTrain and Chris Stanton-Cook Chartered Accountant

Email: chrissc@profitrain.com.au or csctax@optusnet.com.au

Telephone: 07 3427 2999

Business Tax News and Tips

The December Quarter BAS and Monthly IAS Returns

How time flies. It seems like yesterday that we were all completing the September quarter returns.

The due date for lodgement and payment of the **December BAS is 28 February, 2007.**

The due date for lodgement and payment of the **December IAS is 21 January, 2007.**

The due date is printed on the top right hand quarter of the form so you can confirm your lodgement date. If you lodge electronically you can log into your ATO account and your due date will be visible on the outstanding BAS IAS lodgements list.

Don't be late as the Tax Office is getting more serious about imposing late lodgement penalties - \$110 per month for small entities and up to \$550 a month for large business entities.

Annual GST Returns

If you are lodging a Tax Return your Annual GST Return is due and payable on or before the date of lodgement of your income tax return.

If you are not required to lodge a tax return your Annual GST returns are due for lodgement on or before 28 February 2007.

If in doubt about your status please contact us or check on your Tax Office Account if you have electronic access.

Preparation tip: Common errors causing processing delays –

- Not rounding to the nearest dollar
 - Including decimal points
 - Including commas or other symbols
- The Tax Office has advised these types of errors can significantly delay processing.

www.ProfiTrain.com.au

Management Issues

Superannuation Contributions – Superannuation Guarantee

Contributions must be cleared through your bank on or before the 29 January 2007. You have an additional day because the 28 of January 2007 is a Sunday.

Remember if the contributions are late you will be denied an income tax deduction and be required to meet the additional Superannuation Guarantee Charge costs and reporting requirements.

Fringe Benefits Tax time is near.

The FBT year end is 31 March and not too far from us.

If you are receiving or providing fringe benefits please ensure that all the appropriate records are being kept so that your liability can be minimised.

The usual taxable fringe benefits are from motor vehicles, loans and housing. Some exempt and useful benefits are from the provision of a laptop computer, salary sacrifice to superannuation and providing employees with a mobile phone principally for work use.

The Tax Office have printed quite a good book explaining FBT but this has not been updated for recent changes to the law and if this area of tax law affects you please give Chris a call. Documentation and preparation are very important and will save you tax.



The Turn-Key Business

A couple of recent interesting engagements with start-up businesses have shown that many small business operators have little idea of the value of running a systematic business. This lack of understanding of this principal is backed up by discussions with delegates at a Management course that is delivered on a monthly basis where less than 5% of attendees believe that systems would work in their “small” businesses.

The general view is that “I’ll be running it so I don’t need systems, processes or procedures! They’d just slow me down”. This may be the case where only that person is working in the business. Even then their output is likely to be inconsistent because of the lack of systems.

McDonald’s franchises are a great example of a turn-key business. Lower qualified people following systems enable a complex business to operate and produce very consistent output and very respectable returns to the owners.

Michael Gerber of the E-Myth Corporation has studied over 450,000 businesses around the world and has found that the lack of systems is one of the main factors behind business failures. He is a driving force behind the push to have businesses operate on a systems basis.

Why should you introduce systems to your business or job if you are an employee? Systems keep you focussed and on track and hence should make you and your business more productive.

Systems based businesses can more easily duplicate themselves as it is just a matter of training people to use the systems. This makes it easier for the business to grow and even better for “the boss” to systematise him or her-self out of the business so they become an investor in the business and not a worker.

Contact details for ProfiTrain and Chris Stanton-Cook Chartered Accountant

Email: chrissc@profitrain.com.au or csctax@optusnet.com.au

Telephone: 07 3427 2999

www.ProfiTrain.com.au

The choice is between maintaining a self employment style business where you have to be there or alternatively to own a systematised business where you do not have to be there.



Mission and Vision

Mission - Do you know why you are in business or what is the philosophy behind the existence of your business? Many business owners do not really understand why they are in business and therefore find it very hard to communicate the reason to stakeholders who are critical to the success of the business.

Vision – Can you describe in great detail, paint a clear picture, of how your business will look when it has reached its goal? Can you describe what it will look like each step along the way; say every 12 months to 2 years? If not you may have difficulty explaining to you staff what you are trying to achieve this year.

The Mission and Vision of a business are very important areas of business focus that can mean the difference between achieving your goals or falling short.

Take some time to work these out and discover a focus on your future that will invigorate you to move forward and discover how much easier it is to share the vision and mission with those who are travelling with you.

We have a program to help you through this process that is very powerful and focussed. The investment cost from you in your time and our fees is considerably lessened with this system.

Have you visited the web site recently?

www.profitrain.com.au

More business building tips and articles are added each month.

Please tell your friends about the website, the practice and feel free to forward this newsletter.

Are you set for a focused year in 2007?

[ProfiTrain](http://www.profitrain.com.au) is running a **Business Focus Workshop program** (4 sessions) in January and February.

You can access a \$5,500 consulting package for your business for as little as \$680 including GST. Maximum of 10 Businesses so personal attention is guaranteed.

Money back guarantee if the program does not lead to improvements in you business.

A GST seminar is planned for February – Contact Chris for details.

Business Focus 1

Be work Smart – More Time for You!

Want to read an e-book version of Chris' book Business Focus 1 (limited access). Contact Chris today.



*Keep safe
and
stay healthy
and
happy*