

Welcome to the first edition of the UPA newsletter for 2009. We would like to inform you that **Scan Business Brokers** are now also located at the **UPA office**. Please feel free to contact the friendly staff at UPA if you ever have any queries or concerns. Your feedback is always welcome.
Email: info@upa.com.au

WELCOME BACK KARL!

UPA are pleased to welcome back Karl Beste. Karl had been working at UPA for 7 years before leaving in early 2008.



Since last at UPA, he has held the following positions:

- Taxation Accountant – Living and Leisure Australia (former ASX 200 listed company),
- Senior Manager – PKF Surfers Paradise

Karl is a CPA accountant, registered tax agent, has a diploma in Financial Services & a Bachelor in Business (Majoring in Accounting).

WHAT CAN UPA DO FOR YOU?

IF IT CONCERNS YOUR FINANCES AND MONEY MANAGEMENT THEN CHANCES ARE, WE CAN HELP!

- **Accounting :-**
Tax Planning, Business Valuations
- **Asset Protection :-**
Business Structuring & Estate Planning
- **Business Broking :-**
Sales and Acquisitions
- **Financing :-**
Mortgage Finance, Motor Vehicle & Equipment Financing advice
- **Financial Planning :-**
Investment advice/strategies, Insurance

SMALL BUSINESS AND GENERAL BUSINESS TAX BREAK

The Government has announced an investment tax break for all Australian businesses. This \$2.7 billion Business Tax Break is a key element of the Government's \$42 billion Nation Building and Jobs Plan to support up to 90,000 Australian jobs. The *Small Business and General Business Tax Break* will mean;

- A small business that buys and installs a \$2,000 computer before the end of June 2009 can claim an additional \$600 deduction in its 2008-09 tax return.
- A business that buys and takes possession of a \$60,000 backhoe by the end of June 2009 can claim an additional \$18,000 deduction in its 2008-09 tax return.

Small businesses can claim an additional 30 per cent tax deduction for eligible assets costing \$1,000 or more that they acquire from 13 December 2008 to 30 June 2009, and install by 30 June 2010. For eligible assets costing \$1,000 or more that they acquire from 1 July 2009 to 31 December 2009, they can claim an additional 10 per cent deduction where they are installed by 31 December 2010.

To benefit from this tax break a small business must have a turnover of \$2 million a year or less. Other businesses can receive the same deductions for eligible assets greater than \$10,000.

Assets eligible for the allowance are new tangible depreciating assets and new expenditure on existing assets used in carrying on a business for which a deduction is available under the core provisions of Division 40 (Capital Allowances) in the *Income Tax Assessment Act 1997*.

At time of writing, the Government's proposed stimulus package has not yet been passed through Parliament.

Please contact your **Client Service Advisor** to find out more.



EASTER FACTS

- When taking a bite into a chocolate bunny, 76% of people prefer to bite off the ears first. 5% eat the feet first and 4% eat the tail first.
- Adults prefer milk chocolate (65%), to dark chocolate (27%).



UPA WILL BE CLOSED GOOD FRIDAY AND EASTER MONDAY

SCHOOL'S IN KEEP YOUR RECEIPTS FOR THE EDUCATION TAX REFUND



Treasurer Wayne Swan has called on parents to make sure they keep their receipts to make the most of the Rudd Government's \$4.4 billion Education Tax Refund.

How much can you claim?

By keeping their receipts, eligible families will be able to claim a 50 per cent refund every year for key education expenses up to:

- \$750 for each child undertaking primary studies (maximum refund of \$375 per child, per year); and
- \$1,500 for each child undertaking secondary studies (maximum refund of \$750 per child, per year).

Who is eligible?

All families with school children who receive Family Tax Benefit Part A will be eligible for the Education Tax Refund, which will be paid to families from 1 July this year.

What expenses are eligible?

Provided parents keep their receipts, the Education Tax Refund will apply to some of the most common back-to-school items, including: laptops; home computers and associated costs; home internet connections; printers; education software; trade tools for use at school; school text books; and stationery.

For example: Sarah and Michael have two children, Petra, who is in secondary school and Jack, now in grade three. Through the Education Tax Refund, Sarah and Michael are able to claim 50 per cent of the cost of a \$1,500 laptop computer they bought for Petra, a refund of \$750.

They will also be able to claim Jack's education software and school textbooks up to the value of \$750, receiving a refund of up to \$375.

Where a family has educational costs in excess of the refund limit, these costs can be carried over to the next financial year.

How do you claim the Education Tax Refund?

Parents will then be able to claim 50 per cent of these expenses through their tax return at the end of the financial year. For those who are not required to complete an income tax return, a separate form will be available from the Australian Taxation Office.

TAX BONUS PAYMENT

Tax Commissioner Michael D'Ascenzo has announced that work is underway to ensure the Tax Office can start paying the Australian Government's tax bonus from early April 2009.

Will you be eligible?

The tax office will use your 2007-08 income tax return to determine if you are eligible and how you will receive the payment.

You are eligible to receive the payment if:

- you have lodged or will lodge your 2007-08 income tax return before 30 June 2009 or by the deferred date granted by the Tax Office
- your 2007-08 taxable income is not more than \$100,000
- your adjusted tax liability for 2007-08 is greater than nil, and
- you are an Australian resident for tax purposes (or were an Australian resident at some stage during 2007-08).

Some conditions apply for people under 18 years old.

WHAT IS A QUALITY BUSINESS?

Quality businesses attract Quality Buyers. Quality represents a lower risk to a buyer and therefore attracts a premium price. What are the features of a Quality business?

Established Business

The business has been established over 3 years
Full financial records and tax records for at least 3 years
Sales and profits growth over recent years
Suitably located
Diversified customer base

Business Management

Documented management policies and procedures
Developed and reliable business systems
Developed operating and marketing plans
Not dependent upon owners' relationships
Risk management procedures in operation

Earnings & Owners Contribution

Earnings provide good ROI and debt coverage
Owner operator works no more than 5 days per week
Earnings are maintainable
Future contracted fees for services businesses
Preferred supplier status with larger clients
Potential for growth in the business

Skills & Staff

Staff requiring general skills (non specialist skills)
Continuing and reliable staff
Full transition assistance will be provided

If you would like to speak to one of our experienced business brokers, please contact us on (07) 55912969 or enquiries@scanbusiness.com.au.



The tax office will send the payment to the address or bank account you nominated as your preference for the 2007-08 tax return. You will get your payment faster if we have your bank account details.

To ensure money goes into the right bank account or the cheque is delivered to the correct address, you should call the tax office on **1300 686 636** by the middle of March if you need to confirm or update your details

For more information on the Australian Government's tax bonus visit www.ato.gov.au or contact your Client Service Advisor.



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