

**Tax Planning for 2017**

It is the time of year to again start thinking about a year to date review of your business's financial performance.

There is nothing more frustrating than an unexpected tax liability!

To avoid this potential problem, we recommend that you undertake a planning process with us before the end of June.

Planning will alert you to how you will be situated for the end of the financial year.

To start the ball rolling, please contact us now.

**Pay your employees superannuation on time or you lose the tax deduction**  
**Did you know?**

As a business, if you do not pay your employee superannuation guarantee contributions by the quarterly cut-off date, you are now not able to claim a tax deduction for the superannuation amount!

Late payments also attract penalties and interest!

To avoid this, and in order to claim a full tax deduction for the payments, they must be paid and received by the superannuation fund by the quarterly cut-off dates below:

Quarter	Period	Payment cut-off date
1	Quarter end 30 Sept	28 October
2	Quarter end 31 Dec	28 January
3	Quarter end 31 March	28 April
4	Quarter end 30 June	28 July

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**Instant asset write-off for items under \$20,000 only available until 30<sup>th</sup> June!**

Small businesses can immediately deduct the business portion of most assets if they cost less than \$20,000 and were purchased between 7:30pm on 12 May 2015 and 30 June 2017.

This deduction can be used for each asset that costs less than \$20,000, whether new or second-hand. The deduction is claimed through a tax return in the year the asset was purchased.

You only have 3 months left to access this deduction!

Primary producers can continue to claim an immediate write off for fencing, fodder storage and water facilities after 30 June 2017.

**Fuel Tax Credit rate increase from 1 February 2016**

The ATO have announced an increase to the Fuel Tax Credit (FTC) rates from 1 February 2016.

Type of fuel	Rate for fuel acquired from 1 Feb – cents
Fuel used on the road (in heavy vehicle greater than 4.5 tonnes)	14.2
Fuel used for all other activities	40.1

**Welcome to a new team member**

We welcome Andrea Killeen to our accounting team

Andrea started with us in January this year and is a valuable addition to our accounting team with her dairy farming knowledge and practical experience in this field.



## Farmers – Do you know about the quadbike rebate scheme?

The Victorian Government through WorkSafe Victoria is encouraging farmers to take part in a \$6 million rebate scheme for approved safety solutions to help reduce quad bike deaths. WorkSafe now accepts operator protection devices (OPD's) fitted to a quad bike as part of the solution to controlling the risk to operators in the event of a rollover.

The rebate is being administered by the Victorian Farmers Federation.

Eligible farmers can apply for a rebate of:

- Up to \$1200 (GST exempt) for the purchase of an alternate vehicle such as a side-by-side vehicle (SSV) or a small utility vehicle (SUV). The alternate vehicle must be designed for use in agriculture and at point of sale have rollover protection and a fitted seatbelt. Sport vehicles and small commercial vehicles, such as utes, are excluded.

OR

- Up to \$600 (GST exempt) for the purchase of up to two operator protection devices (OPD's), or up to \$1200 (GST exempt) for two devices. The OPD must have been designed and manufactured in accordance with approved engineering standards and independently tested to be eligible for the rebate.

There are currently two OPD devices that meet this criteria and are eligible for the rebate - the Quadbar™ and the ATV Lifeguard.

Rebates are available for devices or vehicles purchased on, or after 1 September 2016.

The rebate is available to farmers who:

- Live in and operate a business in Victoria
- Have no more than 19 full-time employees
- Own a quad bike for work purposes
- Have farming as their main source of income.

Farmers who are owner-operators with no employees are also eligible to apply.

You can apply online, by email or post.

For more information: [www.bequadsafe.com.au](http://www.bequadsafe.com.au)

### WHERE TO FIND US

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## Varying your quarterly PAYG instalments? You could be charged interest by the ATO!

Some taxpayers are incorrectly varying their pay as you go (PAYG) instalment rate or amount. This may result in a debt at the end of the financial year and attract a general interest charge (GIC) if the variation was significantly incorrect.

The ATO have said that you may have to pay interest if you vary an instalment rate or amount by more than 15% of:

- The actual tax payable on your income for the year
- Instalment rate that should have applied for the income year

If you think you have underestimated your PAYG instalment in one quarter, the ATO advise to vary up in the next quarter to avoid any potential interest charges.

### An alternative to the manual logbook

If you are using the log book method to claim motor vehicle costs, and you haven't done a log book in the last 5 years, we highly recommend you start a new log book before the end of the financial year.

Each log book is valid for 5 years, but if your vehicle usage has changed considerably it is time to think about starting a new log book.

If you are claiming motor vehicle expenses via the log book method, your log book is one of the first things the ATO would request if you were to be audited.

Remember – you need to record your motor vehicle usage in a log book for a minimum continuous period of 12 weeks.

Once you have logged the travel in this 12 week period we will use this to calculate your business use vs. personal use of your vehicle for tax deductibility.

The ATO app *MyDeductions* now has logbook functionality built in which means that you can record your trips on your smartphone instead of on paper. The app allows for manual entry or point to point entry (where you enter start and end address and it does the rest). This means that record keeping is kept to a minimum and you have a log book on hand at all times to fill in for each trip.

