

# Tax Bonus

With the downturn in the economy many Australians are doing it tough. The Federal Government is planning to give us all a helping hand with a tax bonus and business tax breaks. These initiatives are not yet law, the bill has been introduced to parliament and passed through the senate. Until it has received Royal Assent there may be changes.

## The Tax Bonus Payment

Am I eligible to receive the payment?

- If you lodge your 2008 income tax return prior to 30 June 2009. Payments will not be processed by the Tax Office until you have lodged your 2008 return.
- If your 2008 taxable income is not more than \$100 000.
- If you had a tax liability in 2008 (see attached example).
- If you are an Australian resident for tax purposes.

NB. Some conditions apply for people under 18 years of age.

How much will I receive?

- For taxable incomes up to \$80 000 the payment will be \$900
- For taxable incomes not exceeding \$90 000 the payment will be \$600
- For taxable incomes not exceeding \$100 000 the payment will be \$250

Payments will be processed by the ATO and will start in April. If you haven't yet lodged your 2008 tax return you won't receive payment until you do.

The ATO will send payments to the address on your tax return. If we lodged your last tax return your postal address will be recorded as our PO Box. If you would like them to deposit this payment into your bank account or use a different address for this payment only you can arrange this by calling 1300 686 636 as soon as possible. Please note you will need a notice of assessment for identification when you call them.

## Business Tax Breaks

**Small business** taxpayers with a turnover of \$2m or less will be allowed to claim a bonus deduction of 30% for eligible (depreciable) assets costing \$1000 or more.

For the asset to be eligible for this bonus it must be purchased between 13 December 2008 and 30 June 2009 and be installed ready for use by 30 June 2010.

There will be a 10% bonus deduction for eligible assets costing \$1000 or more, purchased between 1 July 2009 and 31 December 2009 and installed ready for use by 31 December 2010.

This bonus deduction is in addition to any depreciation claim you would normally be entitled to and is claimable in the financial year that the asset is installed ready for use.

**For larger business** the same conditions apply except the minimum purchase price for eligible assets is \$10 000.

If you would like more information regarding these initiatives or for advice on which entity to purchase your new assets in please call your Client Manager at our office.

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