

February 2019

Proposed Tax Changes

With the Federal Election looming, SC Accounting would like to outline key tax policies that we expect will be a focal point of the political debate, as well as some exciting news at SC Accounting.

Special Tax Policies: Income Tax Reforms

Please note that these are only proposed reforms and are subject to change and as such we cannot confirm the intentions of the political parties at this time however this information has been summarised from various sources including ALP's Policy documents "A fair go for Australia, ALP's website, NTAA – the tax adviser' voice (Jan/Feb edition) and other media releases.

Income Tax Proposed Changes

ALP Tax Policies	Coalition Tax Policies
Restriction on tax deductions on personal tax related Expenses to \$3,000	No cap on personal tax-related expenses is proposed.
Reduce and maximum CGT discount from 50% to 25% with various exceptions (e.g. grandfathered investments, superfunds)	No Change Indicated
Limit negative gearing to only investments in new housing however grandfathering may apply. Losses from new shares and existing properties will still be allowed to offset investment income tax liabilities however not salary and wages	No Change Indicated
Remove – some taxpayers ability to claim imputation credits as tax refunds	No Change Indicated
30% tax on distributions from discretionary trusts	No Change Indicated
From 01 July 2020 a 20% write- off for eligible depreciating assets.	From 29 January 2019 the instant asset write-off threshold for SBE will increase assets valued \$25,000 and under. It is proposed to continue until 2020.

Superannuation Proposed Changes

ALP Tax Policies	Coalition Tax Policies
Non-concessional contributions cap to be reduced to \$75,000	Non-concessional contributions cap to remain at \$100,000
Decrease Div 293 tax threshold from \$250,000 to \$200,000	No Change Indicated
Repeal the new concessional contributions catch-up rules	Retain concessional contributions five year rules for eligible members who hold balances of \$500,000 or less
Repeal eligibility to claim a tax deduction for personal super contributions	Retain current legislation
Prohibition on direct borrowing by Self-Managed Super Fund's on housing investments (LRBA's)	No change to current LRBA rules
Fast Track employer superannuation contributions to 12%	Retain current legislation (gradual 12% progression proposed by 2026)

SERVICE UPDATE for February 2019: **Mai Tran CPA replacing Harry Mak**



Image Above: Mai Tran CPA

Harry Mak has since resigned from the team and has moved on to grow and expand in his career, SC Accounting trained Harry as a junior accountant over two years ago. We have however been very lucky to secure the services of a Senior Accountant Mai Tran CPA after his departure.

Mai Tran is a fully qualified member of CPA Australia with over 7 years of strong public practice tax experience. Mai provides tax and accounting support for all clients and is a specialist in Trust, Company, Partnership, SMSF and individual tax return matters. In addition to end of year tax and accounting, Mai also provides tax solutions to clients relating to GST/BAS, IAS and PAYG.

Current staff at SCA

Steve Creelman CA
(Partner/Financial Advisor)

Mai Tran CPA (Accountant)
Kendra Caruso CPA (Accountant)
Michelle Marshall (Bookkeeper / Payroll)

Mark Caruso CPA
(Partner)

Erma Mencin (Bookkeeper & Admin)
Kylie Creelman (Bookkeeper & Admin)

Current Services Available:

Business Accounting & Tax	Basic Individual Tax Returns	Financial Advisory
BAS, FBT, GST, State taxes	Succession & estate planning	Super Advisory (SMSF)
Finance – Mortgage & Asset acquisitions	TRIS, Pensions, Super contributions – NCC, CC	Insurance products – Life, TPD, income protection
Investment Management & Monitoring	ASX / Compliance Board Advisory	Public Superannuation Fund Advisory / Tax
NDIS Service Provider – Financial Intermediary	Management Reporting, Cash Flow & Budgeting Needs	Business advisory, structural, business acquisitions and sales
Outsourced Payroll	XERO / MYOB / QuickBooks personalised training services	

Best Wishes from the team at SCA



Steve Creelman CA



Mark Caruso CPA

Please note that the above information is intended as a general guide only and is not intended as tax or investment advice. It is in a summarised format and not all information may be specific to your circumstances. If you believe that any of the above impact you, you are recommended to contact us on 95697516 to discuss your specific circumstances and if any of the above applies and the outcome of this impact.