

Upcoming dates

- [23 March 2015](#) February activity statement - due now
- [21 April 2015](#) March activity statement - due now
- [28 April 2015](#) 3rd quarter activity statement - due now
- [28 April 2015](#) 3rd quarter GST instalment - due now

Running a home based business?

If you operate your business from home, you may be able to claim some of the costs in doing this:

- if you work from home occasionally and your place of business is somewhere else (for example, a tradie who does most of his work on clients' premises)
- have an area of your home set aside that is only used for your business (for example, a naturopath who has converted her garage to a reception area and consulting rooms).



You may be able to claim tax deductions for:

- a proportion of the cost of your electricity, gas and phone use
- purchase of office furniture and equipment.

You may also be able to claim a percentage of expenses like rent or mortgage interest, rates and insurance. To be eligible, the area where you conduct your business must be:

- used exclusively for business purposes
- be clearly identifiable as a place of business, and
- not be easily adapted for private purposes.

PAYG instalment obligations for small business owners



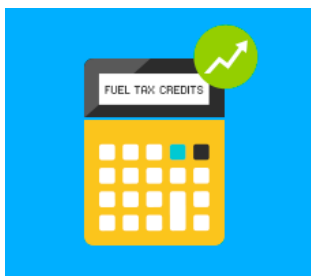
If you are a small business owner with PAYG instalment obligations, you may receive an instalment notice from the ATO with a rate that you think is too high.

Each year the ATO calculate your instalment rate or amount using your most recently lodged income tax return. If your instalment rate or amount is high, this may be because:

- you received employee share scheme income

- your reported a HECS/HELP debt in your last income tax return
- you have income at the wrong label in your income tax return, or
- your return is amended to include excess superannuation contributions.

If you or your tax agent believe your instalment rate or amount is too high, or your financial circumstances have changed you can vary this in your activity statement or instalment notice.



Fuel tax credits indexation alert

Fuel tax credit rates increased for fuels acquired from 2 February 2015 due to an increase in the consumer price index.

Rates are indexed twice a year – generally on 1 February and 1 August. Always check fuel tax credit rates online before completing your BAS.

The ATO fuel tax credit calculator is the easiest way to avoid mistakes when working out the fuel tax credit amount to claim on your BAS because it will automatically include the correct rates.

Do you know about SuperStream?

SuperStream provides a simple, consistent way of making super contributions, and in many cases, a single channel for dealing with multiple funds.



With SuperStream, you will send your super contributions electronically in a standard format, with linked data and payments. This should reduce payment processing costs by removing cheques and variation in payment methods between funds.

All employers will need to adopt SuperStream. The earlier you adopt SuperStream the sooner you will be able to reap the benefits.

If you have 20 or more employees, SuperStream started from July 2014 and becomes compulsory from 1 July 2015.

For smaller employers (with 19 or fewer employees), you can start using SuperStream from 1 July 2015, and will have until 30 June 2016 to make the change.

Smaller employers can also use the free Small Business Superannuation Clearing House to make super payments and meet SuperStream requirements.

Rest assured, you don't need to prepare for SuperStream alone – your tax professional, default fund or payroll provider can help.

PAYG withholding - withholding additional amounts



In the past, employees who wanted additional withholding were required to complete a *Withholding declaration - upwards variation form*.

The ATO have changed the rules so that the process is easier for everyone. From 1 February 2015, the declaration form is not required. An employee can ask for additional withholding in writing, in any form that suits your business. Simply store the request with your payroll records.

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Why Small Business Owners Should Have an SMSF

Sydney Morning Herald -October 15, 2014 - Ken Raiss

Small business owners can reap huge riches from self-managed super funds.

The popularity of self-managed super funds continues to grow unabated as more Australians look for greater control of their financial destinies through reduced fees, greater liquidity and the opportunity to invest in a wider variety of long term asset classes, including property.

According to research firm CoreData, as at June this year there were 528,700 SMSFs, representing almost 32 per cent of Australia's total \$1.6 trillion super pool. Ten years ago there were only 271,000 DIY funds. Aside from their ability to help fund an independent retirement, SMSFs are increasingly recognised as an effective means for small business owners to add extra funds to their super nest egg, as well as manage commercial properties more tax efficiently.

If you are a small business owner then you are likely to be highly adept at quickly responding to the changing business environment and conditions. Most business owners' guiding priority is to make money, make their assets work for them and create a more certain financial future. SMSFs are a good way to meet these goals.

SMSFs have six key benefits for small business owners.

1. Holding a business property in your SMSF, subject to an arm's length lease arrangement, is an excellent way of increasing your super balance.
2. If you own an existing commercial property then, subject to relevant state government laws, you may be able to transfer that property into your SMSF with little to no stamp duty (less than \$500).
3. Potentially you will pay little to no capital gains tax when the property is sold (subject to qualifying for the small business tax concessions).
4. You can lend money to your superannuation fund and this debt can then be changed into non-concessional contributions over time by forgiving the debt, although you need to ensure you do not exceed non-concessional contribution caps (\$180,000 per annum or \$540,000 over a three year period – a bring forward provision for the under 65s).
5. There are no caps on how much you can lend to your super fund, providing the loan is at arm's length and on a commercial basis.
6. If you sell the business you can keep the building and use this as an income stream within your SMSF – the gift that keeps on giving.

There are various issues you will need to understand before holding a commercial property in an SMSF. For instance, while every loan to a super fund is a limited recourse loan, loan-to-value ratios are lower for commercial properties than their residential equivalent. Another point to consider is that any increased capital growth cannot be accessed in super. However other benefits include zero tax in pension stage and the ability to access the land tax threshold available to super funds.

An SMSF can be a great way for small business owners to boost their super fund balance above the normal contribution limits and become tax free in retirement, although any SMSF strategy should be based on sound independent financial advice.

Ken Raiss is the managing director of [Chan and Naylor Group of Companies](#). Disclaimer: The information contained in this article is general in nature and does not take into account your specific objectives, needs or financial situation, therefore should be seen or taken as financial advice for your personal situation. Please seek professional advice for your specific set of circumstances before acting or making financial decisions.