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FIND OUT MORE

<http://bantacs.com.au/aboutus/>

Welcome to Newsflash 344. There has been so much material created since newsflash 343, that we are just listing summaries and links to follow up reading. The constant changes are guaranteed to continue for the next year or so, so please like us on facebook for instant updates.

www.facebook.com/BAN-TACS-Financial-Solutions-1022569537944601/
<https://www.facebook.com/BANTACSpropertypage/>
<https://www.facebook.com/bantacs/>

The Budget and Reply

As always, we have provided a detailed analysis of the budget but this year due to the upcoming election, we help you compare this with the oppositions proposals. After all the budget statement means very little if the LNP are not re-elected. Click on this link for more detail.

<https://bantacs.com.au/Jblog/the-2019-election-budget-and-reply-special/#more-273>

Warning - Automatic Cancellation of Insurance Policies

On the 1st July 2019 new laws will become active that require a superannuation fund to cancel the insurance held in a superannuation account if the account has not been accessed for 16 months.

It is intended to stop superannuation balances being eaten away by insurance premiums, *but* has very dangerous consequences. For example, if you are fighting cancer and not working so nothing is going into your superannuation account then your life insurance will be lost. Further after a cancer battle you are never going to be able to get life insurance again. Alternatively, if you lose the battle, by the time that happens there will be nothing left for your family!

The 16 months period does not start from 1st July, 2019 it starts from the time (which can be earlier than that) that the account became inactive. This means for some, their life insurance could be cancelled on 1st July, 2019. **You need to look into this now!**

If you would like our help deciding what insurance to keep call 1300 022 682 and give us a list of your superannuation accounts and we will give you a report of the insurance cover you have, as a **free** service.

Expats

The LNP proposal to take away an expat's main residence exemption, retrospectively, did not make its normal passage through parliament, as some felt it was too harsh. It has now lapsed due to the election being called.

It can be resurrected but surely not with the proposed start date of 1st July 2019. The only indication from the government that we have is a comment by the Assistant Treasurer in a speech at the Tax Institute where he said "*sometimes things get announced and don't get progressed and it's just best to leave it that way*".

For the full story read our updated Expats booklet. It is still a difficult choice, with no clear guidance from our political circus.

<https://www.bantacs.com.au/booklets/Expats%20and%20Australian%20property%20booklet.pdf>

An Important Warning to Readers Considering Giving a Parent Occupation Rights

While Centrelink may encourage pensioners building a granny flat or like on their child's property, to get a legal right to occupy, this very same right is a win fall gain to the ATO. The deemed market value (i.e. rent over parent's life expectancy) is taxable income to the child with very little cost base, no main residence exemption and no 50% CGT discount. So before you even think of doing this make sure you read: <https://bantacs.com.au/Jblog/granny-flat-rights/#more-262>

Noel Whittaker's Seminar – Building Wealth in Any Environment

If you missed out on attending our Brisbane seminar with Noel Whittaker at the beginning of the month, the following link will direct you to a summary of what was presented.

<https://bantacs.com.au/Jblog/building-wealth-in-any-environment/#more-287>

Small Business Buying Plant and Equipment

As part of the 2019 budget the immediate write off threshold has increased to \$30,000. This is all about the date the equipment is first installed ready for use and your business turnover. There are several dates and thresholds so be careful.

Date Purchased:	Small Business Turnover Limit:	Write off Threshold:
Before 29 th January, 2019	\$10 million	\$20,000
Between 29/1/19 & 2/4/19	\$10 million	\$25,000
Between 3/4/19 & 30/6/20	\$50 million	\$30,000

By buy, I mean installed and ready for use. If you are registered for GST then the cost cap is not inclusive of GST

This \$30,000 write off certainly puts a lot of new cars within reach. Note: second hand plant and equipment are included. It is intended that this concession remain in place until 30th June, 2020 and Labor do not seem to be opposed to it.

The incentive is not available for horticultural plants and in-house software.

Here is a trick if you are looking for a one-off large deduction. If your turnover is under \$10 million and the pool value of your other assets, even purchased in previous years is less than \$30,000 as at 30th June, 2019 or 2020 you can immediately write off the balance.

There is also an incentive for some businesses who would legitimately need a vehicle costing a lot more than \$30,000 but you have to wait till next financial year. For vehicles acquired on or after 1 July 2019, eligible primary producers and tourism operators will be able to apply for a refund of any luxury car tax paid, up to a maximum of \$10,000.

Further Reading <https://bantacs.com.au/Jblog/the-25k-immediate-writeoff-clever-trick/#more-201>

The Latest in Government Grants

<https://www.business.qld.gov.au/running-business/growing-business/becoming-innovative/innovation-grants-support/grants>

<https://www.business.gov.au/Assistance/Entrepreneurs-Programme/Accelerating-Commercialisation>

Ask BAN TACS Notice Board

Unfortunately, most askbantacsers mark their questions to be kept as private, just a couple have been generous recently.

<https://taxquestions.com.au/gst-going-concern-exemption/> GST when selling a commercial property.

<https://taxquestions.com.au/how-is-a-granny-flat-right-created/> Reader concerned parents granny flat may have triggered CGT with no main residence exemption.

Disclaimer: Please note that by the time you read this information it may be out of date. The information is presented in summary form and intended only to draw your attention to issues you should further discuss with your accountant.

Please do not act on this information without further consultation. We disclaim any responsibility for actions taken on the above without further advice as to your particular circumstances.

'Liability limited by a scheme approved under Professional Standards Legislation.'