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### FIND OUT MORE

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

## Merry Christmas

Welcome to the last edition of newsflash for 2018. We hope all our readers, clients and followers have a wonderful break. Our office hours over the Christmas, New Year break will be:

**Adelaide** – Closing 5pm 21<sup>st</sup> December reopening 14<sup>th</sup> January

**Brisbane** – Closing Noon on 14<sup>th</sup> December reopening 2<sup>nd</sup> January

**Burwood** – Closing 5pm 21<sup>st</sup> December reopening 14<sup>th</sup> January

**Caboolture** – Closing 3pm 21<sup>st</sup> December reopening 8.30am 7<sup>th</sup> Jan

**Central Coast NSW** – Closing noon 19<sup>th</sup> December reopen 7<sup>th</sup> Jan

**Crows Nest** – by appointment but not between 20<sup>th</sup> Dec and 14<sup>th</sup> Jan

**Mackay** – Closing 5pm 19<sup>th</sup> December reopening 8.30am 7<sup>th</sup> January

**Melbourne** – Closing 5pm 19<sup>th</sup> December reopening 14<sup>th</sup> January

**Ningi** – Closing 3pm 21<sup>st</sup> December reopening 8.30am 7<sup>th</sup> January

**Sydney** – By appointment but not between 21<sup>st</sup> December and 14<sup>th</sup> Jan

**Toowoomba** – Closing 5pm 21<sup>st</sup> December reopening 7<sup>th</sup> January

This edition has lots of useful articles and links for small business. We know you are busy, it is designed to allow you to quickly identify articles that are relevant to you. Dig into more detail if you want through the learn more links.

## Basics for The Lower Company Tax Rates

For the 2017-2018 financial year your turnover needs to be under \$25 million from the 2018-2019 financial year that turnover threshold will be \$50 million. Related entities are added together for this turnover test. If you qualify, your company tax rate will be reduced to 27.5%.

The turnover of the company must be made up of at least 20% from business. The company's passive income must be less than 80% of its turnover. This includes interest, rent, capital gains and has look-through provisions for distributions received from trusts and partnerships.

The percentage of franking credits you can attach to your dividends is determined by your turnover in the previous year, of course subject to you having enough tax credits to cover the franking. So if you are paying dividends this year in 2018-2019 you can frank them at 30% if your turnover for 2017-2018 was over \$25 million. But come 2019-2020 can only frank up to 30% if your 2018-2019 turnover was over \$50 million. Otherwise the franking rate is 27.5%.

**Learn More** – note this is only a draft ruling

<https://www.ato.gov.au/law/view/document?DocID=COD/LCR2018D7/NAT/ATO/00001&PiT=99991231235958>

## Single Touch Payroll

From 1<sup>st</sup> July 2019 all employers will be required to use this system so now is the time to start planning

**Learn More** - [www.ato.gov.au/business/Single-Touch-Payroll/](http://www.ato.gov.au/business/Single-Touch-Payroll/)

## When Your Farm is in an SMSF

A difficulty arises when the farming business is owned separately from the farm i.e. not by the SMSF, which is quite normally the case. You must make sure that the expenses are paid by the right entity, otherwise your SMSF auditor could qualify the audit report.

For example, irrigation that runs along the ground needs to be owned by the farming entity, but underground pipes that cannot really be removed without breaking, need to be owned by the SMSF. To clarify this for all SMSF investors we have created a list on our blog page.

**Learn More** - <https://bantacs.com.au/Jblog/when-your-farm-is-in-a-self-managed-superannuation-fund-smsf/#more-177>

## Careful! Those Work Utes Could Be Subject To FBT

Most people think that if you have a Ute, it's 100% tax-deductible. Sadly, the ATO doesn't agree, and wants more compliance and paperwork around getting the right tax deduction. To add insult to injury, not only is that more costly administration-wise, it is effectively taxing them at the maximum tax rate! In order to qualify as an exempt vehicle, the private use must be **minor, infrequent and irregular**. If it is not, you will need to have kept a log book on the vehicle. The ATO has released PCG 2018/3

<https://www.ato.gov.au/law/view/document?DocID=COG/PCG20183/NAT/ATO/00001>

which gives examples of when they consider the use of a work ute to be minor, infrequent and irregular. In particular it requires that:

*"you have a policy in place that limits private use of the vehicle and obtain assurance<sup>23</sup> from your employee that their use is limited to:*

- *your employee uses the vehicle to travel between their home and their place of work, and any diversion adds no more than two kilometres to the ordinary length of that trip, and*
- *for journeys undertaken for a wholly private purpose (other than travel between home and place of work), the employee does not use the vehicle to travel*
- *more than 1,000 kilometres in total, and*
- *a return journey that exceeds 200 kilometres."*

## How to Get Your Questions Answered:

Visit a Ban Tacs office <http://www.bantacs.com.au/aboutus/locations/>

Skype Julia <http://www.bantacs.com.au/shop-2/consultation-with-julia-hartman/>

Askbantacs <http://www.bantacs.com.au/QandA/index.php>

## Learn More:

Booklets <http://www.bantacs.com.au/media-library/booklets/>

Newsflashes <http://www.bantacs.com.au/category/newsletter/>

Blogs <http://bantacs.com.au/Jblog/>

Webinars <http://www.bantacs.com.au/media-library/webinars/>

## Fear of Missing Out?

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<http://www.bantacs.com.au/media-library/newsflash/> so you will receive an email every time a new Newsflash is posted on our website.

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.'*