

WESTERNBD NEWS

www.westernbd.com.au

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SEMINAR-UPCOMING

Increase your sales by working smarter and not harder!

At Western BD, we understand that every business owner is keen to maximize sales; the question is how to do this?

You can maximize sales without sacrificing margins or profit and we have developed a new program to show you how to do this:

SALES STRATEGIES FOR WINNING IN BUSINESS

Tuesday 27th June 2006

1pm – 5pm at Western BD Offices

Rod's High Horse

As the financial year draws to a close, it is most important that the end of year tax position is established now and any tax planning measures be proactively taken before June 30. As I always say, there are lots of things you can do to minimise your tax, but once the clock ticks over on midnight June 30, then just like Cinderella on the night of the ball, all of your options dry up! Western BD's clients have systems in place to enable a regular check on the financial health of the business and likely end of year tax position. It is important that these matters be discussed with your accountant not only once a year but on a regular basis – so if you haven't already, schedule a meeting with your accountant!

TAX TIPS

WIN-WIN DONATIONS:

You pay less tax – charity groups get much needed funds!

The end of a financial year is a good time to look at ways of rationalizing your tax liability. A great way to do this is donate to a favourite tax deductible gift recipient (TDGR) – usually a non-profit community organization. There is a wide range of groups who need your support – medical, environmental, community – call Western BD for ideas of where to donate or just remember to give to your own special charity.

Below is a simple example of a win-win donation. A donation of \$10,000 means YOU PAY LESS TAX and receive grateful thanks from sick children or a sick environment.

Annual Gross	100,000	100,000
Tax deductible donation		10,000
Taxable income	100,000	90,000
TAX ON INCOME	32,032	27,450

By Marilyn Ashton

Winners Circle

IT IS NOT THE EMPLOYER WHO PAYS THE WAGES – HE ONLY HANDLES THE MONEY. IT IS THE PRODUCT THAT PAYS THE WAGES. (HENRY FORD) MAKE SURE YOU HAVE A WINNING PRODUCT – COME TO OUR SALES SEMINAR ON JUNE 27

ARTICLES & UPDATES

[Staff News](#)

We would like to welcome a new team member [BARRY BIDSTRUP](#). Barry qualified as an accountant in 1969. Since then he has worked as a public accountant business management consultant and owner operator of a range of small and medium sized businesses. With his hands-on experience in financial management and taxation matters, Barry brings to our team a fourth dimension – a well-rounded perspective.

THE BUDGET – What's in it for you?

Personal tax cuts

The budget gives taxpayers personal tax cuts worth \$36.7 billion over four years from 1 July 2006.

- 30 per cent threshold will rise to \$25,001.
- 42 per cent marginal tax rate will be cut to 40 per cent and the threshold will rise to \$75,001.
- 47 per cent marginal tax rate will be cut to 45 per cent and the threshold will rise to \$150,001.
- Low income tax offset will increase to \$600 per year and phase out from \$25,000, up from \$21,600.
- Fringe benefits tax rate will be cut to 46.5 per cent.

A plan to simplify and streamline superannuation

The plan includes proposals to simplify and streamline superannuation:

- Tax free superannuation benefits for people aged 60 and over which are paid from a taxed fund from 1 July 2007.
- Abolishing reasonable benefit limits (RBLs).
- Streamlining the contribution and payment rules.

By Barry Bidstrup

End of Financial Year Tax Panning

As Rod so rightly pointed out – the end of this financial year is approaching and it is important to know your tax position so that any necessary adjustments can be made (such as payments to superannuation funds or a donation to reduce your tax payable). Keep in mind your overall long-term tax plan you would have discussed with your accountant. All too often we see people make spontaneous decisions for short term tax deductions without seeing their accountant, only to discover that in the long-term the result is ineffective – a good example of this is a property purchased for negative gearing deductions, only to find that in the long-term the property becomes positively geared, and the desire to transfer the property to a trust or a partner's name now has capital gains and stamp duty implications.

For clients whom we see regularly we have systems in place to facilitate the planning and review process. However if you have not already met with your accountant to discuss your tax position and overall plan you need to do so **ASAP**.

The last word by Tina Embleton