



DANDENONG

60 Robinson Street
Dandenong Vic 3175
(03) 9794 0010

BERWICK

Shop 12 Parkhill Plaza
215 Parkhill Drive
Berwick Vic 3806
(03) 9705 2500

CRANBOURNE

96 High Street
Cranbourne Vic 3977
(03) 5995 4588

EPPING

767 High Street
Epping Vic 3076
(03) 9408 4577

FRANKSTON

2 Olsen Street
Frankston VIC 3199
(03) 9769 6660

WERRIBEE

6B Watton Street
Werribee Vic 3030
(03) 9749 7333

STATEWIDE PHONE

1300 272 829
1300 CPA TAX







WEB

www.rjsanderson.com.au

MARCH 2007

DO YOU NEED TO REGISTER OR APPLY?

There are a number of different requirements you need to meet when you are running a business. The following will help you determine if you need to register or apply for any of these obligations. If you need assistance in determining whether you need to register for any of the items below, please contact any one of our offices.

REQUIREMENT	WHEN TO REGISTER OR APPLY	HOW TO REGISTER OR APPLY
 TAX FILE NUMBER (TFN)	Sole traders use their individual TFN. There is no additional application. Partnerships, trust and companies are separate legal entities. Application for a separate TFN is required.	Ask our staff at RJ Sanderson & Assoc or: Apply online at www.abr.gov.au
 AUSTRALIAN BUSINESS NUMBER (ABN)	Sole traders, partnerships, trusts and companies all need to apply for an ABN.	Apply online at www.abr.gov.au
 GOODS & SERVICES TAX (GST)	If the annual business turnover is greater than \$50,000 (\$100,000 for a non-profit organisation), you must register for GST.	When applying for an ABN you can also apply for GST. If you already have an ABN you can register for GST online ato.gov.au/onlineservices
 PAYG WITHHOLDING (PAYGW)	If you are paying wages to employees, you will need to register for PAYGW. Withheld payments will need to be listed on an activity statement. You will also be required to lodge an annual payment summary statement.	When applying for an ABN you can also apply for PAYGW. If you already have an ABN and need to register for PAYGW, you can apply o n l i n e a t ato.gov.au/onlineservices
 FRINGE BENEFITS TAX (FBT)	If you provide benefits to employees or associates, you will need to register for FBT. You may have to lodge an annual FBT Return and pay quarterly instalments on you BAS.	If you already have an ABN and need to register for FBT, you can apply online at ato.gov.au/onlineservices
 FUEL TAX CREDIT	If you use a 4.5 tonne (GVM) vehicle on public roads for business use you may be eligible to claim fuel tax credits from the ATO.	You must be registered for GST . You can apply for fuel tax credit by calling 13 72 26.



TRAINING WORKSHOPS

Cashflow Manager training workshops are being held fortnightly from 7 — 9pm on Mondays at 54 Rosstown Road, Carnegie (off Koornang Road).

The sessions cost \$88 per business (which admits 2 people from the business).

**The next workshop date is
MARCH 19th 2007**

Bookings are essential. Call Fleur on (03) 9572 5000.

MONTHLY TAX TIP

Employers are required to calculate the tax to be withheld from payments made to their employees. This is calculated based on 'Tax Tables' set up by the Australian Taxation Office. Generally (assuming minimal deductions) the amount withheld over the year will just cover your tax payable and you have a small refund. You can have your employer withhold extra tax for you each pay. Getting an extra \$20 taken out of your pay fortnightly for the full year will equate to an extra \$520 in your refund. **Consider it forced savings!**



If an accountant's wife cannot sleep, what does she say?
"Darling, could you tell me about your work."

DANDENONG ROTARY CLUB LUNCH

Friday 14th May 2007

12.30pm - 2.00pm



Sandown Racecourse

\$80 per head

Guest Speaker

ZIGGY SWITKOWSKI

Chairperson of the federal government inquiry into nuclear energy in Australia

Net proceeds to be donated to local community welfare organisations.

Call Peter Davidson on 0412 839 323 or email at peterd@dwlegal.com.au for registration details and other information.

RENTAL PROPERTY— REPAIR vs IMPROVEMENT

When preparing your tax return to include maintenance carried out on your rental property, it is important to distinguish between a repair and an improvement on the property.



A repair involves replacing part of something or restoring something to its original working order without changing its character in its entirety.

Repairs are tax deductible and can include such expenses as painting, repairing gutters, plumbing, and replacing windows.

Initial repairs to the property after purchasing the property are not tax deductible on the basis that the costs are incurred too soon before any income is derived. These expenses will be included in the cost base of the property and used in the Capital Gain/Loss calculation when the property is sold.

Improvements include substantial improvements, alterations and additions to the property. These costs are not immediately deductible as



they are capital in nature. The deduction can still be claimed over more than one year by depreciating the asset over its useful life or a capital works deduction spread over 40 years.

In order to determine what constitutes an improvement, factors that need to be considered include, whether there is greater efficiency in the function of the asset, whether there is an increase in the value if the asset and whether the expenditure reduces the likelihood of future repairs.

BEAT HOME LOANS



We have joined forces with the Beat Home Loan Network!

This means we guarantee we can beat any bank home loan. If you would like us to review your home loan **FREE OF COST** and see if we can improve your current bank loan arrangement, then please contact any of our offices.

IN THE NEWS



A recent decision held that payments made in respect of a taxpayers injury at work were assessable as income.

The taxpayer sustained various injuries at work and as a result ceased manual labouring. His work contract was terminated not long after as it was deemed he was no longer fit to return to active work.



The taxpayer commenced litigation with regards to the injuries and was awarded various amounts of compensation, including two sums of aggregated arrears payments to compensate for weekly earnings.

The Commissioner assessed these as ordinary income. The taxpayer appealed the decision, however the Commissioners assessment was upheld.

Important: The contents of this newsletter is not advice. They are only general comments. At the time of publication all information was correct however changes in legislation can occur quickly. Clients should not act solely on the contents of this newsletter, we recommend you seek formal advice from our knowledgeable accountants at R J Sanderson & Associates on (03) 9794 0010.