

## **LATEST NEWS**

### **Education Tax Refund**

From 1 July 2008 an Education Tax Refund is available to families who are eligible for Family Tax Benefit Part A which provides a refund of up to 50% of each of their children's education expenses. A maximum claim of \$750 for primary school students and \$1500 for secondary school students can be made resulting in maximum refunds of \$375 and \$750 respectively. Expenses exceeding the maximum can be carried forward into the next financial year if still eligible.

Items that are claimable include the following:

- Laptops, computers
- Computer software and hardware
- Internet costs
- School textbooks, stationery
- School based apprenticeship tools

Items that are NOT claimable include the following:

- School fees
- Uniforms
- Tutoring costs
- Musical instruments, sports equipment and extra curricular activities
- Transport

For more information visit the Australian Taxation Office website or click the link below.

<http://www.ato.gov.au>

### **Income Tax Rates**

<b>2009 INCOME TAX RATES</b>	
<b>Threshold</b>	<b>%</b>
0 - 6000	0
6001 - 34000	15
34001 - 80000	30
80001 - 180000	40
180001 +	45

<b>2010 INCOME TAX RATES</b>	
<b>Threshold</b>	<b>%</b>
0 - 6000	0
6001 - 35000	15
35001 - 80000	30
80001 - 180000	38
180001 +	43

### **Family Tax Benefit (FTB)**

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From 1 July 2009 Family Tax Benefit Claims can no longer be made through individual income tax returns and must be claimed through the Family Assistance Office. This means that FTB claims for the 2008/09 financial year cannot be made on your 2008/09 tax return.

Family Tax Benefit Part B is means tested from 1 July 2008. The main income earner must have an adjusted taxable income of less than \$150,000 to be eligible.

For more information visit the Family Assistance Office website.

<http://www.familyassist.gov.au>

### **Baby Bonus**

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The baby bonus will increase to \$5,000 from 1 July 2008 and will be paid in 13 fortnightly instalments replacing the lump sum payment.

From 1 January 2009 the baby bonus will be means tested and only available to families that have an adjusted taxable income of less than \$75,000 in the six months after the birth of the baby.

### **Medicare Levy & Medicare Levy Surcharge Changes**

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Australian residents are subject to a Medicare levy of 1.5% of their taxable income unless they qualify for a reduction or exemption. The Medicare levy low income threshold is \$17,794.

You may have to pay the Medicare Levy Surcharge if you did not have an appropriate level of hospital cover and 1 July 2008 the Medicare Levy Surcharge is payable if you are a single person with no dependants and had a taxable income for MLS purposes greater than \$70,000, or a member of a family who had a combined taxable income of \$140,000 plus \$1,500 for every child. The threshold for previous years was \$50,000 and \$100,000 respectively.

If you had private patient hospital cover during 2008–09, you will need a statement from your health insurer showing the number of days you and your dependants were covered by an appropriate level of health cover. If you do not have this statement, contact your health insurer.

### **Child Care Rebate**

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From 1 July 2009 the Child Care Tax Rebate will be called the Child Care Rebate as it is no longer a tax offset and can only be claimed through the Family Assistance Office. The Child Care Rebate helps working families with the cost of child care. The Child Care Rebate covers 50 per cent of out-of-pocket child care expenses for approved child care, with a rebate of up to \$7,778 (indexed) per child per year, for eligible families.

For more information visit the Family Assistance Office or click the link below.

<http://www.familyassist.gov.au>

### **ATO Email Scam Alert**

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The Tax Office is warning people to be wary of a fraudulent email being circulated that claims to offer a 30% discount on their taxes.

The email contains the ATO's logo and variations of the heading 'Cut Off Taxes Program (COTP) has been released – Join Now'

The Australian Tax Offices advises that the any recipients should delete the email immediately and has released a statement to remind the public that the Tax Office never sends emails requestion people to provide personal information including tax file numbers.

### **Small Business and General Business Tax Break**

The Small Business and General Business Tax Break measure has been passed by Parliament and is now law. The measure was announced on 3 February 2009 as part of the Government's *Nation Building and Jobs Plan*. It provides an additional deduction for business investment in new, tangible depreciating assets and new expenditure on existing assets.

Investment thresholds of \$1,000 for small business entities and \$10,000 for other business apply.

The following table summarises the key dates relating to the different rates.

<b>Business entity</b>	<b>Investment commitment time (inclusive)</b>	<b>Date of first use or installed ready for use (inclusive)</b>	<b>Rate</b>
Small business	13 December 2008 to 31 December 2009	By 31 December 2010	50%
Other business	13 December 2008 to 30 June 2009	By 30 June 2010	30%
	1 July 2009 to 31 December 2009	By 31 December 2010	10%
	13 December 2008 to 30 June 2009	1 July 2010 to 31 December 2010	10%

Taken from "<http://www.ato.gov.au>"

This tax break deduction is in addition to decline in value deductions.