

January Bulletin 2023

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EDITORIAL

Happy New Year!

To all our clients and friends, we wish you all a prosperous and fulfilling 2023.

It looks like the COVID-19 crisis is past us.

However, the effects of government stimulus over the last 2-3 years has resulted in economic inflation. To combat this, the Reserve Bank has increased the cash rate, and in turn, banks have increased interest rates we pay on our finances.

How many more increases will it require to reduce inflation? That's the crucial question.....

Our opinion in the office is inflation will be high for all of 2023 and into 2024, despite interest rate rises continuing in 2023. As long as unemployment remains low, inflation will persist.

IN THE KNOW

Benleigh Business

Our office welcomes the Benleigh business into the MCP Group. Handling all the Tax, GST and FBT compliance, the Directors desired a progressive and 'hands on' practice to assist them with future growth.

Situated at 68 Wingfield Road, Wingfield, the business installs and manages confectionary vending machines in South Australia and across Australia.

Welcome to the MCP business family.

LET'S TALK BUSINESS

Often our accounting services consist of asset protection and structuring business and assets in a tax effective manner away from creditors, if economic or business conditions change.





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LET'S TALK BUSINESS (cont)

The Australian Taxation office understands this and has put in place Director Penalties on those in business.

The responsibility of Company/Business directors is well documented. If you are a current or former company director, the ATO can recover from you unpaid amounts of:

- PAYG Withholding
- GST, and
- Superannuation Guarantee Employer

If these obligations are not met, you become personally liable for the unpaid amounts, until you take steps to ensure the Company meets its obligations, appoints an administrator or goes into liquidation (only within certain time limits).

Any amounts you are personally liable for are called 'Director Penalties'. The ATO can recover the penalty amounts from you after issuing a director penalty notice.

LET'S TALK TAX

Fringe Benefit Tax

A fringe benefit is a 'payment' to an employee, but in a different form to salary or wages. Typical fringe benefits included allowing an employee to use a work car for private purposes, paying an employee's gym memberships or providing tickets to concerts or events.

FBT returns for the 2022-2023 FBT year were due by May 2023 – that is also the payment date. However, if your business uses a registered tax agent to prepare and lodge its FBT return, the business may have additional time to lodge and pay.

FBT rates and thresholds

A new FBT year (2022-2023) started on 1 April 2022. Relevant amounts and thresholds for the 2022-23 FBT year include:

- Record-keeping exemption threshold - \$9,181 (\$8,923 for 2021-22)
- Statutory or benchmark interest rate – 4.52% (same as for 2021-22)
- Car parking threshold - \$9.72 (\$9.25 for 2021-22)

The cents per kilometre rates (for motor vehicles other than cars for the

2022-23 FBT year are:

0-2500cc	Over 2500cc	Motor cycles
58 cents	69 cents	17 cents

For 2021-22, the 0-2500cc and over 2500cc rates were 56 cents and 67 cents per kilometre respectively; the motor cycle rate was 17 cents per kilometre.