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EDITORIAL

Happy New Financial Year!

A new financial year is upon us!

This is the time to set budgets for the year. Particularly focussing on Sales, Gross Profits and fixed operating business cost.

Planning for the year ahead is crucial to a successful year in business!

At this time of the year staffing levels and remuneration needs to be considered as well as future staffing resource requirements. The cost of replacing staff with training and downtime is significant.

On other news.....

I can now announce the Institute of Taxation has made me a FELLOW Member after my years of service and knowledge in the taxation industry.

It is important to be part of organisations like the Institute of Taxation to maintain that level of professionalism in the industry.

Once again, for any accounting, taxation and business services needs, please do not hesitate to contact our office or me direct.

All be best for the new financial year!



LET'S TALK BUSINESS

Payroll Tax

Payroll tax is a state tax calculated on wages for employees or deemed employees.



LET'S TALK BUSINESS (cont)

The amount of payroll tax is calculated only on wages (plus other costs) that exceed the threshold in a given financial year. The SA threshold is \$1,500,000 of gross wages and deemed employees. The rate of payroll tax in SA is 4.95%.

The State Governments across Australia have been very active in changing their views on payroll tax collected for GP doctors (and other sectors).

The additional tax on GP doctor practices may cause medical practices to increase fees charged to patients and in the long run this will affect all of us.



LET'S TALK TAX

Self Managed Superfunds

The ever-changing landscape of tax, and government reliance of taxpayers being self funded in retirement has resulted in an expansion of clients using self managed super funds (SMSF).

The SMSF space can be quite complex and regulatory. Each year the fund must be audited by an independent auditor. If the fund has property, a valuation must also be completed for all properties owned by SMSF to determine market value and correct arms length market rent is being collected.

Admittedly, there are some quite significant tax concessions by operating a SMSF in your portfolio of entities.

Some include:

- Superfund earnings taxed at 15%.
- Potential tax free income at retirement.
- Refund of imputation credits if funds own shares, which can be used to offset other tax.
- Capital gains taxed at 10% (when CGT discounts are applied).
- Asset Protection.
- Control of your investments.