

INFORMATION SHEET

Tax Rates for Individuals

As from 1 July 2007 These rates are used for your 2008 tax return		As from 1 July 2008 (proposed rate) These rates are used for your 2009 tax return	
0 -6,000	Nil	1 – 6,000	Nil
6,001 – 30,000	15% for each \$1 over \$6,000	6,001 – 34,000	15% for each \$1 over \$6,000
30,001 – 75,000	\$3,600 plus 30% for each \$1 over \$30,000	34,001 – 80,000	\$4,200 plus 30% for each \$1 over \$34,000
75,001 – 150,000	\$17,100 plus 40% for each \$1 over \$75,000	80,001 – 180,000	\$18,000 plus 40% for each \$1 over \$80,000
Over \$150,000	\$47,100 plus 45% for each \$1 over \$150,000	Over 180,001	\$58,000 plus 45% for each \$1 over \$180,000

NOTE: The company tax rate remains at 30% of taxable income.

How to reduce your tax bill

- **Make a personal deductible contribution to your super fund**
You can do this personally if your salary and wage income is less than 10% of your total income or through a business entity. To be effective, the contribution must be made prior to 30 June and limits apply. The maximum contribution for someone aged 50 years and under is \$50,000 and for someone aged over 50 the maximum contribution is \$100,000.
- **Take out an investment loan and pre-pay the interest**
If you would like to establish an investment portfolio of shares and managed funds, you can take out a loan and pre-pay the interest prior to 30 June. This interest payment will be a deduction in the current financial year – If you are interested in this option, please contact us as a matter of urgency.

Tips from your accountant

- **Government Co-Contribution – Superannuation (for employees)**
Self employed people are eligible for the first time to claim the government co-contribution. If you earn \$28,980 or less you will be entitled to the full co-contribution. If you earn between \$28,980 and \$58,980 you will receive a part payment. **This is calculated on your net business income.** You must make the undeducted contribution to your super fund before 30 June of up to \$1,000 to be eligible for the co-contribution.
- **Entities and Bank Accounts**
If you operate your business from a company or trust, you must operate separate bank accounts and restrict your business account to business transactions only. Business and private transactions must be kept separate.
- **Do you plan to sell your business during the year?**
If you plan to sell your business during the year, please seek our advice to ensure that you are going about it in the best way to maximize your tax benefits.
- **Are you bogged down by book-keeping?**
If you are bogged down with your book-keeping duties, it may be more time and cost effective for us to do your book-keeping for you. Please contact us to discuss how we can help you.
- **Leasing / Lending**
Do you know what is the best type of loan for you? If you are planning to purchase plant and equipment, or motor vehicles please contact us so we can discuss the different leasing and lending options available to you and the tax implications. We can also provide you with a competitive quote.
- **Personal Insurance**
If you are self employed I encourage you to seriously think about personal insurances such as income protection, trauma, total and permanent disability and life insurance. Your family needs this protection and most of the premiums can now be made tax deductible.

Remember – we are in a perfect position to act as your financial planner as we already have a lot of your financial details and because we are your tax adviser and accountant we have knowledge of you and your business. Please take advantage of the many services we offer.