

# HOW A COALITION GOVERNMENT WILL AFFECT YOU

## TAX PLANNING GUIDE

Now that the Federal Election has been won by the Coalition, our combined focus needs to be on how you can save tax before 30 June 2019!

While the Coalition have promised company tax cuts and individual tax cuts, the majority of these are planned for a few years' time.

Here are 2 key areas that could affect you in the short term.

### **INSTANT ASSET WRITE OFF – UP TO \$30,000**

If you are in business with a turnover under \$10 million, business assets purchased up to the following threshold amounts (exc. GST) will be immediately deductible:

- \$20,000, from 1 July 2018 to 28 January 2019
- \$25,000, from 29 January 2019 to 7:30pm 2 April 2019
- \$30,000, from 7:30pm 2 April 2019 to 30 June 2019

Depreciating assets valued at more than the above threshold amounts will be depreciated in one pool at a rate of 15% in the first year, and 30% in future years.

If your business has turnover from \$10 million to \$50 million, business assets purchased up to the following threshold amounts (exc. GST) will be immediately deductible:

- \$30,000, from 7:30pm 2 April 2019 to 30 June 2019

You should buy these assets and use them or have them ready for use before 30 June 2019.

### **HIGHER TAX REFUNDS FROM JULY 2019**

Taxpayers look set to pocket tax cuts from July as Scott Morrison plans to recall parliament to pass Budget measures before the end of the financial year. The cuts will be put to the Senate in the first of three stages of reforms under the Coalition's plan to flatten tax brackets in a move to keep the faith with voters who swung behind them on Saturday.

Under the first stage of the plan, about 4.5 million low and middle income earners will enjoy a doubling of the tax offset to \$1,080 a year, which they can claim after lodging their Tax Returns as early as 1 July 2019.

A Tax Offset directly reduces the amount of tax you pay. It can reduce your tax payable to zero, but on its own it can't get you a refund.



Here is how the new targeted tax offset works:

Your Taxable Income	New Tax Offset
Up to \$37,000	Tax relief of up to \$255
\$37,001 to \$47,999	Tax relief between \$255 to \$1,080
\$48,000 to \$90,000	Full tax relief of \$1,080
\$90,000 to \$126,000	Tax relief gradually reduces from \$1,080 to Nil

If you fall into the above income categories and want to get your higher tax refund quickly – please contact our office today and we'll book you in to have your Tax Returns prepared in early July 2019!

