

LPT Accountants

your Local Professional Tax Accountants

Welcome to our first newsletter

Welcome to the first ever newsletter from LPT Accountants!

The last four months have passed in a whirlwind and our new practice is growing bigger and better every day. It has certainly been an eventful period with Christmas, a late start to the school year, the flooding rain and two covid isolation lockdowns at the Evans' house.

This newsletter is designed to give you a brief update of some of the key points from the recent Federal Budget. There were not a lot of announcements in the areas of business and taxation, with most of the focus aimed at easing cost of living pressures for families. Similarly, the Opposition's budget reply was light on new details and seemingly more focused on the upcoming election. With that in mind, it's worth remembering that these proposals will not be put before parliament before the election, and that some may never see the light of day.

Thank you to everyone that has supported me in my new business. Your kind words and encouragement have really been appreciated. We're still on the lookout for new clients, so if you have any family or friends that are looking for a good accountant, please give them my details

As always, if I can help in any way, please let me know.

Best Regards,
Brenden

We're online!

Have you found us on the internet? We have a webpage at www.lpta.com.au as well as Facebook and Instagram pages.

We have been posting topical items on the social media pages throughout the year so please search for LPT Accountants and give us a like and follow.



**LPT
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Budget Announcements

Low and Middle Income Tax Offset (LMITO) Increase

The low and middle income tax offset (LMITO) will increase by \$420 for this current financial year. This means that eligible individuals will receive a tax offset of up to \$1,500 upon lodgement of their upcoming 2021/22 tax returns. This is the final year of the LMITO and it will not be available in the 2022/2023 financial year.

Taxable income	Offset
\$37,000 or less	\$675
Between \$37,001 and \$48,000	\$675 plus 7.5 cents for every dollar above \$37,000, up to a max. of \$1,500
Between \$48,001 and \$90,000	\$1,500
Between \$90,001 and \$126,000	\$1,500 minus 3 cents for every dollar of the amount above \$90,000

Personal tax rates unchanged for 2022-23

There have been no changes to the personal income tax rates. The rates for this year and future years will be:

Rate (excl. Medicare Levy)	2021-22	2022-23 to 2023-24	From 1 July 2024 (unchanged)
Nil	\$0 - \$18,200	\$0 - \$18,200	\$0 - \$18,200
19%	\$18,201 - \$45,000	\$18,201 - \$45,000	\$18,201 - \$45,000
30%	N/A	N/A	\$45,001 - \$200,000
32.50%	\$45,001 - \$120,000	\$45,001 - \$120,000	N/A
37%	\$120,001 - \$180,000	\$120,001 - \$180,000	N/A
45%	\$180,001 +	\$180,001 +	\$200,001 +

\$250 cost of living payment

A one-off \$250 payment will be provided to recipients of certain government payments including:

- Age Pension
- Parenting Payment
- Jobseeker Payment
- Youth Allowance
- Pensioner Concession Card (PCC) holders
- Veterans' Affairs payment recipients
- Disability Support Pension
- Carer Payment
- Carers Allowance
- Farm Household Allowance
- Commonwealth Seniors Health Card holders
- Veterans' Affairs Gold card holders.

Payments will be made automatically and should commence during April 2022.



Fuel excise reduction for 6 months

The Government will temporarily halve the fuel excise rates for six months. This means that the current 44.2 cents per litre excise rate will reduce to 22.1 cents per litre from Budget night. It is worth noting though, that this proposal needs to be passed through parliament, so we may not see prices drop for some time yet.

120% deduction for money spent on technology

Eligible small businesses (with a turnover of less than \$50 million) will be able to claim a deduction of \$120 for every \$100 spent on business expenses and depreciating assets that support its “digital adoption”. This will include things such as portable payment devices, cyber security systems or subscriptions to cloud-based services. There will be an annual cap of \$100,000 in expenditure that will be eligible for the boost. The boost will apply to eligible expenditure incurred from 7:30pm (AEDT) on 29 March 2022 until 30 June 2023.

For any of you currently subscribing to cloud computing services (Office 365, Xero etc) it would be advisable to start identifying these and separating them out in you accounting records. This will make it easier for us to work out the claim in the 2023 income tax returns.

120% deduction for money spent on skills and training

Similarly, eligible small businesses will be able to deduct an additional 20% of expenditure incurred on external training courses for its employees. The training courses must be provided to employees in Australia or online, and delivered by entities registered in Australia. This only applies to external training and not to in-house or on-the-job training. The scheme will apply to eligible expenditure incurred from 7:30pm (AEDT) on 29 March 2022 until 30 June 2024, and the extra 20% deduction for the current 2021/22 year will not be claimed in the 2022/23 tax returns.

Reduction in minimum superannuation drawdown rates extended again

The temporary 50% reduction in superannuation minimum drawdown requirements has been extended again and will now end on 30 June 2023. The minimum pension drawdown rates are as follows:

Age	Default minimum drawdown rates	Reduced rates by 50% until 30 June 2023
Under 65	4%	2%
65-74	5%	2.5%
75-79	6%	3%
80-84	7%	3.5%
85-89	9%	4.5%
90-94	11%	5.5%
95 or more	14%	7%

Other changes to superannuation from 1 July 2022

The changes listed below were announced by the government prior to the budget, and nothing in the budget announcements indicated that these will not proceed. So please be aware of these looming changes:

- Super Guarantee rate will increase to 10.5% (up from the current 10%)
- Bring-forward non-concessional cap extended to anybody under 75 (subject to Total Superannuation Balance)
- Work test requirements abolished for 67-74 year olds in respect of making or receiving personal and salary sacrificed contributions
- \$450 per month income threshold abolished for Superannuation Guarantee (SG) contributions. (Currently employers are not compelled to pay SG contributions for employees earning less than \$450 per month)
- Reduction to age 60 (down from 65) for the home downsizer contribution scheme
- Increase on voluntary contribution release amounts under the first home super saver scheme from \$30,000 to \$50,000.

Our Office

As most of you would know, I am now based from my home in Narangba.

We are currently in the process of building a proper office space where I can spread out and have clients visit.

In the meantime, I'm travelling out to see clients when needed.

