

## Merry Christmas!

This Christmas, we will be closing at 5pm  
Wednesday 23 December 2020 and  
reopening at 8:30am Monday 11 January  
2021.

From all the team at Martel Wheatley, we  
wish you a safe and merry Christmas.

## Farewell to Michael

We farewelled Michael last week as he moves into retirement. If you were previously being looked after by Michael, don't worry, we are here to help and our friendly staff will be able to point you in the right direction for all your accounting and tax questions.

## JOB ALERT – Bookkeeper (Gap year role)

We are looking for a student who has just finished their HSC to complete their gap year with us as a bookkeeper (there is an opportunity to extend for the right person). No experience necessary and all training is provided on the job.

The full job advertisement can be found on Seek:

<https://www.seek.com.au/job/51045744>

Applications close **Monday 14 December 2020**.

## Instant asset write off

Legislation has now **passed** giving effect to some of the key tax changes announced in the 2020-21 Federal Budget, including the immediate expensing rules for depreciating assets.

These changes allow businesses with a turnover of less than \$5 billion to deduct the **full cost** of eligible depreciating assets that are first held and ready for use between 6 October 2020 and 30 June 2022.

**Businesses with a turnover less than \$50m can also apply these rules to second hand assets.** However, before you rush out to buy a new car, be aware of the ceiling value applied to higher-value vehicles.

*For example, if the luxury car limit is set at \$59,136 for the 2020/21 financial year and if you buy a Toyota Sahara for \$137,000, you'll only be able to claim the cost limit less GST against your taxable income. How this works:*

*Cost of vehicle:           \$137,000*

*Cost limit of vehicle   \$59,136*

*Business use               80%*

*The maximum depreciation/write-off allowable for the purchase of the Sahara would be **\$43,008**.*

*This is the cost limit of the vehicle (\$59,136) multiplied by the business use percentage (80%) less GST on the business use percentage.*

*Therefore, the maximum GST claimable would be \$4,300.*

The cost limit for vehicles is for cars and station wagons, including four-wheel drives. For a vehicle to be exempt from these rules, it must be classified as a commercial vehicle, i.e. designed to carry a load rather than passengers.



## FAQ: Can I take money out of my company?

Yes, you can but the ways of doing this are limited and may incur tax. We recommend speaking with us prior to taking any money out so we can manage any tax implications that may arise.

1. Dividends – at the end of the financial year, we may be able to declare a franked dividend that will have franking credits associated with it and be a refundable offset in your tax return. However, if there are no franking credits available, an unfranked dividend will need to be paid and this will be taxed in your individual tax return at marginal tax rates
2. Wages/Director's fees – pulling a wage or director's fee from a company like any other employee is another way to draw money out of a company.
3. Director's loans – these are a last resort. Entering into Division 7A loans require minimum annual interest and principle payments to be made yearly

## RAA Emergency Drought Transport Subsidy

The Emergency Drought Relief Package 2020-21 for Drought Transport Subsidies closes **31 December 2020**.

The subsidy has now been expanded to include **transport of purchased stock to a farm business**.

To apply head to the RAA website and apply online

<https://www.raa.nsw.gov.au/grants/transport-subsidy-emergency-drought-relief/transport-subsidy-online-form>



Bec and her friends are participating in the Cancer Council's Longest Day challenge this year to raise money for skin cancer research. In the scorching summer sun, Bec's team are challenging themselves to complete 72 holes of golf in one day!

Australia has one of the highest rates of skin cancer in the world, with two in three Australians diagnosed with skin cancer by the age of 70.

If you would like to support Bec and the Cancer Council head to the link below. Any amount you can give makes a difference!

<https://www.longestday.org.au/fundraisers/rebecapryor>

