

Your Partner In Business

Welcome to the New Year edition of the CPD Accountants newsletter.

We extend our warmest wishes to those clients, and their families and loved ones, who have been affected by the ongoing flooding in Queensland. Please know that our thoughts are with you all. To those who have been directly affected by the floods, we wish you a speedy cleanup and recovery.

ATO Help for Flood Affected Areas in Queensland

Earlier this week, the Australian Taxation Office announced implementation of a range of support strategies to help those affected by the floods currently being experienced in Queensland.

This includes the deferral of lodgement dates and the implementation of general interest charge (GIC) stoppers for businesses, tax payers and tax practitioners.

If you reside within any of the flood afflicted areas, you do not need to apply for a deferral, as the ATO will automatically defer the lodgement and payment date for December monthly activity statements, originally due 21 January, to 21 February 2011. Any later deferrals that have already been granted will still apply.

For more information, please visit <http://www.ato.gov.au/corporate/content.asp?doc=/content/00266454.htm> or call 1800 806 218.

Preparation for end of Fringe Benefits Tax (FBT) Year – 31 March 2011

If your company or trust has purchased a vehicle that is subject to FBT, and you don't yet have a 13-week log book to substantiate your motor vehicle's business usage, you may end up paying too much tax as a result.

The best claim for motor vehicles is nearly always the log book method, but we can only use this calculation where a log book has been properly kept.

Should you claim a high percentage of business use without a logbook to back up your claims, the Australian Taxation Office may assume zero percent business use in the event of an audit.

Logbooks only cost a few dollars at your local stationery supplier – a worthwhile investment that could potentially save you and your business thousands of dollars in tax. If you don't already have a logbook for your car or passenger vehicle, we urge you to buy one and start recording today.

New ATO Benchmarks Published for Businesses with Cash Sales

The Australian Taxation Office has released new categories of small business benchmarks with a focus on the level of cash sales within a business.

The benchmarks initially focus on 15 categories of business, however the ATO intends to expand this list.

Using these benchmarks, the ATO can determine the average proportion of cash sales they believe a business should be making and which businesses are not reporting as much cash income as others in the same industry.

The ATO is on the watch for this, so businesses whose performance falls significantly outside one or more of these benchmarks are more likely to be selected for a review or audit.

For more information, please visit www.ato.gov.au or call 13 28 66.

Welcome to our Blog

In last month's newsletter, we announced the launch of our new website. This month, we would like to invite you to visit the CPD Accountants Blog – a page on our website that is dedicated to providing relevant, up to date information on business taxation and other issues.

Please feel free to visit our Blog page on www.cpdaccountants.com.au/blog.

Quote of the Month

"Success is the ability to go from one failure to another with no loss of enthusiasm." - Sir Winston Churchill

Please Note: Many of the comments in this publication are general in nature and anyone intending to apply the information to practical circumstances should seek professional advice to independently verify their interpretation and the information's applicability to their particular circumstances.