

Morris Accounting newsletter February 2009

Morris Accounting news

I don't know about you, but I'm beginning to feel that the news is nothing but doom and gloom at the moment! The Victorian bushfires with their devastating loss of life, floods in north Queensland, the recession that we may be having, the Aussie cricket team's dismal performance against South Africa etc etc etc!

However there is also a fair bit of good news and so I'm going to focus on this!

Interest rates are lower than they have been since 1964, which is great news for potential investors, not to mention anyone with a variable mortgage rate.

Another great piece of news is the Rudd Government's stimulus package. The cash bonuses are getting a lot of media coverage, but there are also benefits for business owners that are not as well known.

The Government is funding a temporary investment tax break for all Australian businesses. Small businesses (with a turnover of less than \$2m a year) can claim an additional 30 per cent tax deduction for eligible assets costing \$1,000 or more that they acquire from 13 December 2008 to 30 June 2009, and install by 30 June 2010. For example, a small business that buys and installs a \$2,000 computer before the end of June 2009 can claim an additional \$600 deduction in its 2008-09 tax return.

For eligible assets costing \$1,000 or more that they acquire from 1 July 2009 to 31 December 2009, they can claim an additional 10 per cent deduction where they are installed by 31 December 2010. Larger businesses (turnover greater than \$2m per year) can receive the same deductions for eligible assets greater than \$10,000.

Just a reminder that the cash bonuses the government is paying to those who earned under \$100,000 in 2007-08 are based on 2007-08 tax returns. If you haven't lodged yours yet, then you only have until 30 June 2009 if you want to receive the cash bonus.

Finally, a big thank you to everyone who completed the website survey. We are making a few changes based on you feedback. Please let us know what you think!

'Til next time
Nathan

Tax planning tips

February is a great time to think seriously about tax planning! Especially if you have not thought about it for a while. With a bit more than 4 months to the end of the financial year, you have time still to work out what you want to do, and implement an effective tax planning strategy.

There are many positives about our economy at the moment:

- wages haven't reduced
- interest rates are falling globally, and at their lowest since 1964 in Australia
- price of fuel down
- share market down – great opportunities for some bargain stock
- property market falling – again great opportunities for investors.

All of the above are indicators of a great opportunity to get into the property and stock market. If you have a “safe” job or business then think seriously about investing before the stock and real estate markets bounce back in the next couple of years.

If you are experiencing a slowdown in your business, then this is a good time to review the products and services you offer. Consider how you can increase their value, offer additional or improved services to your clients or save on costs. Contact us if you would like advice on how to do this.

ATO crackdown

I would like to highlight for readers that the ATO is cracking down in a number of areas:

1. late lodgements – the message here is lodge your tax return on time! Threatening demands and court summons are being issued so if your financial affairs are not in order, sort them out quickly
2. late lodgement/payment penalties leniency has all but stopped. This means that the ATO is enforcing the \$220 late lodgement penalties for activity statements. This penalty can increase if your activity statement is more than 1 month overdue, so please lodge on time.
3. large refunds are being held up. The ATO is requesting further information in relation to many large refunds. We have had clients whose refunds have been delayed by 3 months due to the number of cases the ATO are reviewing. If this applies to you we recommend that you provide the ATO with the information they request as quickly as you can so your refund is not delayed for any longer than necessary.

Whilst we do our best to lodge before the ATO deadlines, we need you to please send in your BAS information as soon after quarter end as possible to avoid any delays in processing/ lodgement.

Morris Accounting profile – Alicia Morris



Alicia Morris's philosophy on life is quite simple. Just move on in life. Alicia believes it is a waste of time to dwell on bad things that happen.

“There is no point thinking about how I shoulda/coulda/woulda”, says Alicia. “Just be happy and never let anything drag you down.”

Alicia, Morris Accounting's first employee, also describes herself as a typical female who loves her shopping and socialising. She is a keen tennis player who also loves music.

Alicia – and yes, she is related to Nathan! – is responsible for all the administrative work at Morris Accounting. Before joining big brother Nathan about 8 months ago she was a bartender at a few well known cocktail lounges in the Valley.

Alicia is also studying for her Bachelor of Arts in Politics, International Relations and Asian Studies at Griffith University.

We asked Alicia a few questions to get to know her better:

1. *What do you like most about working at Morris Accounting?*

I like how our team is very closely knit. We're all great friends and I love how we all get along really well. I also love the normal 9-5 lifestyle, after working the graveyard shifts at the bar!

2. *What has been your biggest challenge?*

I think my biggest challenge was Japan (where Alicia spent a year in 2003 representing her school as part of the GAP exchange program). It's a big culture shock going there as their customs and lifestyle are significantly different compared to ours and it takes a while to adapt!

As for work, I was the very first employee of Morris Accounting (apart from Nathan) and I had to learn a crash course in accounting. It was quite difficult but great as I learnt about a lot of new things – you can never have enough skills in life!

3. *What is your favourite TV show on TV at the moment? And why?*

My favourite TV shows are Scrubs and Arrested Development – I think they're hilarious.

4. *Favourite place to go in Brisbane.*

I love going to most watering holes the Valley as a lot of close friends work in there and I don't get to see them as often as I used to.

5. *Favourite holiday destination? And where is your next holiday?*

My favourite holiday destination at the moment would have to be Fiji – it's a paradise there! I am hoping to go to New Zealand by the end of this year.

Alicia can be contacted on alicia@morrisaccounting.com or 07 3105 5926.

What we do

The team at Morris Accounting works with a large cross section of clients on advisory issues such as business management, tax minimisation and business expansion planning. Morris Accounting also helps clients with business valuations, acquisitions and sales.

We have extensive experience in working with small and medium sized businesses in a range of industries including professional services, manufacturing, wholesaling, retailing, hospitality, and primary production.

Morris Accounting provides a wide range of services for our clients including:

- tax advice and tax return preparation
- business and management services to help our business clients to help them determine and prioritise their business needs
- bookkeeping services such as assistance with BAS and PAYG
- salary packaging
- wealth creation through tax effective strategies such as negative gearing.

Morris Accounting – call us today so we can help your business grow.

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