



News and Views Podcast Show

Presented by:

Sarah Power, Director of Business Concepts Group
specialising in Financial Planning and Accounting

Guest Host:

Chris Reed, Director of Business Concepts Group
CPA, FPS SMSF Specialist Advisor

Episode 88 – Small Business Company Tax Rates

In this episode, we are going to talk about the small business company tax rates and the coming dates as the Christmas is near approaching and this will be the last News and Views podcast for 2017.

Updates:

- December quarter BAS will not be due until 28 February – extra time due to Christmas
- 1st February 2018 – fuel tax rates change again due to indexation
- ATO warns of retirements schemes that are targeting SMSF investments. Channels money inappropriately through SMSF common features:
 - Structures connected to SMSF
 - Excessive paperwork
 - Results in little or no tax or refunds
 - Tax benefits from arrangements
- ATO have established “Super Scheme Smart” to educate taxpayers and advisers on types of schemes.
- Substantial penalties if caught in these schemes
- Promoters are also on watch list
- Also links and list on ATO website to check on certain schemes or see ones on ATO watchlist

Small Business Company Tax Rates:

- Government legislation to confirm when we could use 27.5% for 2018 year after turnover
 - Turnover \$25 million 2018 year
 - Turnover \$50 million 2019 year
- Eligibility from 2018 year
- Base Rate Entity – aggregated turnover considered
- Carry on Business – no more than 80% of turnover from passive income
- Corporate beneficiaries
- Franking credits – max credits are rate of tax in year dividend paid (assumption aggregated turnover same as previous year)

With this clarification of income and the threshold increasing and a lot more companies will be able to access the lower rate of tax for 2018. We will be back in 2018 with more News and Views podcast, stay safe over

the Christmas and New Year. As always, we are here to help contact us via our website www.buscgroup.com.au