



'Cliftons for Solutions'

Clifton Professional Accountants

Winter 2005

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We really appreciate you, our clients, and the trust you place in us, giving us your important tax, compliance and other business advisory and accountancy work each year. We trust the matters discussed below are of interest to you:

Land Tax

The NSW Government has once again changed legislation with regard to Land Tax. For 2005 (land held at 31 December 2004) there was no threshold, meaning all owners with not just a principle residence or primary production land, paid land tax.

For 2006 (land held at 31 December 2005) the threshold is back, set at \$330,000. So unless land other than primary production and principle residence in under the threshold, no land tax is payable.

If you would like more details, please give us a call.

Superannuation Choice

All business owners with employees are required, under new legislation, to offer choice to their employees of what Superannuation funds they wish to have their superannuation paid into. Most employers already comply; it is only where you have insisted that all contributions go to one of a limited number of funds that you will need to offer a choice.

Remember, Compulsory Employee Superannuation Guarantee payments (9% of Gross Wages) **must be paid each quarter** by the 28th day of the following month, otherwise, you become liable to pay the money to the Tax Office as a non-tax deductible Superannuation Guarantee together with an additional penalty tax. If you pay the money into your employee's super after the due date, you are still liable to pay the money to the tax office, together with the extra penalty - this would result in your employee getting a double amount of super. To be entitled to a tax deduction in the current financial year your need to pay your superannuation by the 30th June 2005.

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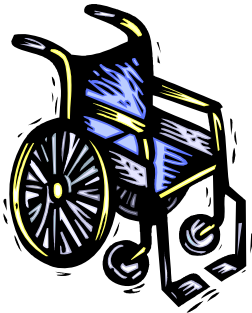
Miok is just one of our Trained, Professional Tax Consultants, and has been part of the friendly team at Cliftons for nearly 5 years now. Miok is our "Go To" on Superannuation, mastering the relevant software and legislation. Miok is a valuable part of our team. Come in and say Hi today.



Business Vehicle

Business Vehicle & Equipment Finance

Cliftons, through our associations with Macquarie Leasing, Capital Finance and Moody Kiddell can arrange **very competitive** business motor vehicle and equipment finance for your business. Contact us for a quote before you commit to a lender. If we can do better, great. If we can't, at least you know you're getting a good deal.



Sickness & Accident (S & A) Insurance Traps

Check with your broker!

A client (Husband & Wife Partnership) took out an S&A policy for the husband, and agreed on an amount to be received per week that roughly covered their living costs and business overhead expenses. However, when it came to making a claim, the insurance company only paid out 70% of the taxable income distributed to the Husband. When they asked "how could this be when there was an agreed weekly amount", it seems they had ticked a CPI (Consumer Price Index) box, and this negated the agreed amount.

Another client, after paying into a policy for 20 years, had a blood vessel burst behind his eye. When it came time for renewing the policy, they excluded his eyes from the cover.

It pays to take the time to review the policy carefully, and check with your broker.

CGT (Capital Gains Tax) main Residence Exemption

If you buy another main residence and are selling your original residence, and you do not rent out your original residence, then you have up to two years in which to sell it and still not be subject to CGT on it, as the CGT private residence exemptions would apply.

New Ruling—If you rented your original residence out, you need to get an official market value on the property as at the date it Commences to be rented out. The property then becomes subject to CGT on any gain in value over the official 'Market Valuation' when sold. If you sold it within 12 months of it ceasing to be your private residence, you would not be allowed the 50% exemption for assets sold. If sold after 12 months, then the normal 50% discount would apply.

Possibly, a CGT Loss could arise if the original residence was rented and eventually sold for less than the market value at the time it commenced to be rented out.

**As CGT
rulings are
constantly
changing
always check
your situation
with Cliftons**

Written Customer Guarantee

Do you know about **our written Customer Guarantee**, which includes:

A) Continuous Professional Development & Review

- Having a very dedicated, experienced & trained friendly team which enjoys giving exceptional, professional caring service to you .
- Review checklists of possible tax deductions that may apply to you, to ensure we consider and claim all allowable deductions.
- All returns undergo 3 review processes by different team members to ensure, as far as possible, that our work is error free (most accountants do not have any review processes).

“Systems & Procedures ensure consistent quality”

B) A complete Guarantee on Services Provided

- Should we miss a deduction, we will gladly fix the error by re-doing the financial statements and/or tax returns.
- If we make a mistake which results in your incurring a taxation penalty, fine or interest, we will pay it for you.
- In the unlikely event of a miscalculation, we will not only apologise, but will reduce our fees. You deserve to receive the best and, if you don't, then it should cost you less.

“A written guarantee is much more binding than a verbal or understood Guarantee”

C) Confidentiality

- An employment agreement signed by all our team members which includes their commitment to keeping total confidentiality for all work done in our office, with instant dismissal for any breach of confidentiality.

D) Looking after your best interests

- We aim to serve our customers proactively, helping our clients grow their businesses, reviewing structures to see if tax can be saved, assets protected, wealth increased, and ensuring Capital Gains Tax is minimised.





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**'Cliftons for
Solutions'**



We want new customers

The two best marketing methods for us are Yellow Pages and Referrals from you, our existing clients.

Have you seen our eye-catching advertisement in **Yellow Pages?** It is very different to the other Accountants' adverts! Yes it is wordy, but potential clients know that all accountants do tax, GST, auditing, business advice, etc. So we have taken a different approach to attracting new customers, telling them a story of why they should use us, giving them information so they can make an informed decision before giving us a call.

We want your recommendation of us to your friends, family and associates! **We want great customers like you**, people who want accountants who really care and who go the extra mile to ensure that the best possible results are achieved.

Thankyou, on behalf of all our team, for the referrals you have given us in the past. We look forward to being of continued valuable service to you.



Drinks Menu

As an extra service to you, we have introduced a menu for when you come into the office, we now serve a range of teas, specialty coffee and even coke, diet coke and orange juice. So have a free drink on us rather than having a coffee or drink before you come to see us.



FRANK ISAAC

Retirement

Frank Isaac, who prides himself on having the fitness of a much younger man, turned 70 on the 23rd March 2005, and decided it was time to retire, although he may do a couple of days per month for us. Frank started work with us on 10th August 1984. His loyalty, efficiency and congenial nature has been a great blessing to us over the last 20 years, and he will be greatly missed. So do make a comment to him about enjoying his life of leisure, but he has so much lined up that he will probably be busier in his retirement than when he was working. It is great to have a work place where good team members are happy and stay for over 20 years.