

### Small Business Restructure Rollover (SBRR)

These changes, which apply from July 2016, will allow small businesses to change their legal structure without incurring a capital gains tax liability.

The changes make it easier for small business owners to restructure, by allowing them to defer gains or losses that would otherwise be made from transferring business assets from one entity to another, as part of a genuine restructure.

Businesses will also have access to other concessions and be impacted by various changes including:

- The continuation of the immediate deduction for individual assets costing less than \$20,000 has been extended to June 2018 and also applies to asset costing less than \$1,000
- The ATO Taxable Payments Reporting System will apply to contractors in the courier and cleaning industries from July 2018
- Small businesses can claim prepayments in the year incurred if the benefit does not extend beyond 12 months
- Small businesses need not perform a stock valuation if the difference between opening and closing stock is less than \$5,000
- From July 2018, employers with more than 20 employees will be required to provide real time reports to the ATO for wage payments, super guarantee contributions, ordinary time earnings and PAYG Withheld.

### Company Tax Rate & Dividend Payments

The company tax rate of 27.5% will apply for the 2017 tax year to all companies with a turnover of less than \$10 million. For the 2018 and 2019 tax years, it will also be applied to companies with greater turnovers.

The company tax rate changes will negatively impact the dividend imputation tax credits for future company dividend payments.

The franking credit rate for dividend payments declared from 1 July 2016 will be 27.5%, whereas the small company tax paid rate was 28.5% (2016) and 30.0% (2015 and prior). The previous year's extra company tax paid at the 30% or 28.5% rates will be trapped in the company's franking credit balance (e.g. 2.5% based on 30% rate).

From July 2016, the small business turnover threshold (for GST and low cost asset write-offs ) will be \$10 million, however the small business CGT concessions will continue to use the \$2 million turnover threshold or \$6 million net assets and the small business tax discount will apply a \$5 million turnover threshold.

### Backpackers & Working Travellers Tax Rates

From January 2017, special tax rates will apply, resulting in a flat rate of 15% for income up to \$37,000 and then marginal tax rates apply over this amount.

***This is purely factual information and general advice. It does not constitute personalised financial, business or taxation advice. The content does not take into account your personal circumstances or objectives and you must determine whether it is appropriate to you.***

***We recommend you make an appointment to see Charles or Matthew to obtain advice relevant to you before making any financial or taxation decisions.***