

From The Editor

It has been a very busy 12 months at BBV to say the least. With the floods in March affecting so many of the regions residents and businesses (including BBV), the damage caused created a significant impact on the ongoing operations of the business. However, the team at BBV pulled together under very difficult circumstances and we have now bounced back from that setback better and stronger than before with an even greater team resolve.



We would also like to thank our clients, business associates and BBV families for their patience and support whilst we were going through the lengthy rebuilding process. Your understanding was greatly appreciated.

I hope you enjoy the December newsletter. Please don't hesitate to contact your BBV team members if you have a question about any of the articles.

We will be taking a break over the Christmas/New Year period, and as a result our office closure will be;

Closing: Midday, Wednesday 23rd December

Re-opening: 8:30am, Monday 4th January

Finally, on behalf of the team, I would like to take this opportunity to wish you all a Merry Christmas and a happy and safe holiday season. We look forward to working with you again in 2010.

*Rod Simpson
Practice Manager*

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Small Business Tax Break - Investment Allowance



A 50% temporary investment allowance is still available for small businesses, which purchase a depreciating asset costing over \$1000 between 13 December 2008 and 31 December 2009.

Small business entities (ie; businesses with a turnover of less than \$2 million) which acquire **new tangible depreciating assets costing more than \$1,000, by the 31st December 2009**, and have them installed by 31 December 2010, qualify for the 50% Investment Allowance.

The investment allowance is an addition to the normal depreciation deduction available to the taxpayer, and not a rebate, so it can only reduce your taxable income and not create a refund. The deduction is 50% of the purchase price, excluding any GST claimed as an input tax credit. The asset purchased must be used for the principal purpose of carrying on a business, and the due dates must be met to be eligible.

You could buy:

- Cars, vans, trucks and other business vehicles
- Computer hardware (but not software)
- Tools
- Capital improvements to existing machinery or equipment

You cannot claim the tax break for things such as:

- Second hand goods
- Cars where you use the 'cents per km' method
- A depreciating asset you buy just to resell
- Land, capital works
- Intangibles such as software
- Repairs

Luxury cars costing more than \$57,180 are restricted to the deduction based on \$57,180.

Businesses that purchased and installed assets ready for use by the 30 June 2009 can claim the investment allowance in the 2009 financial year. Assets purchased by 31 December 2009 and installed by 30 June 2010 can claim the deduction in the 2010 financial year.

As there are specific financing requirements, make sure you have a chat to your BBV accountant before you proceed.

*Article by Michael Gray
Accountant*

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Movember

The team at BBV have been supporting the Movember cause over the past couple of years and you may have noticed during the month of November some of the male staff (and also some of the BBV family members) had an attempt at growing Mo's. This was to help raise funds and awareness for Men's Health.



The "BBV Mo Bro's" team were very active in support of the cause, with funds and awareness raised through mufti days, BBQs and through clients, family and business partners. BBV also matched each and every donation dollar for dollar.

With a goal of raising \$2500 this year, the "BBV Mo Bro's" were pleased to announce at the end of month BBQ that an amount of \$2800 was raised for Movember.

We are proud to be involved with the Movember campaign and would like to thank all those who contributed. If you would like more information on Movember or want to know how to donate to the "BBV Mo Bro's", head to our website www.bbv.com.au and follow the links (we will keep the links up until the New Year).

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Superannuation Contribution Limits



Placing money into superannuation is a sound decision for your future however there are annual caps on the amount of contributions you can make. If these limits are exceeded you are forced to pay extra tax on the excess which effectively reduces the benefit of placing that excess money in superannuation.

Contributions to super generally fall under two categories, each with their own cap;

- Concessional contributions, (tax deductible contributions) including employer contributions, salary sacrifice and contributions by self employed persons.
- Non-concessional, or after tax contributions, that do not allow a tax deduction including both personal contributions and spouse contributions.

For the 2009-10 and future financial years the concessional cap has been reduced to \$25,000, from the previous \$50,000. However if you are over the age of 50 you may make use of a transitional cap of \$50,000 until 30 June 2012.

The non-concessional cap remains unchanged at \$150,000, while no transitional cap exists for these contributions. If you are under the age of 65 during the financial year you can bring forward the cap for the next two years, effectively allowing contributions up to \$450,000 in the current financial year. As you are accessing the caps of the next two years you can only contribute a total of \$450,000 for the whole 3 year period.

For a more detailed explanation the ATO has an excellent guide "Super contributions - too much super can mean extra tax" on their website. To read more detail, [click here](#) to be directed to the ATO's article.

Of course if you have any questions, contact your BBV accountant and we will be more than happy to explain in more detail.

*Article by Dane Adams
Accountant*

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John Vincent Announces His Retirement

After many years dedicated to the accounting industry, along with some 15 years as a founding partner of BBV, John announced he is retiring.

For the team at BBV John has always been a colourful character who, whilst always being the professional that he is, has continued to bring a sense of fun and enjoyment to the workplace. John has always had the ability to speak to his clients in plain, simple to understand terms. Cutting through the accounting legislation and “jargon” is what John does best!

Whilst John is still heavily involved in the local community, the Coffs Coast Outriggers and swim training, the team at BBV will miss having John around the office.

We sincerely wish John, Lynne and the family all the very best in John's retirement.



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