



WE COUNT AND SO DO YOU

WHAT'S NEWS??

2015 BUDGET NEWS

Farmers will be encouraged to build fences, silos and irrigation channels under generous tax breaks passed down in the federal budget on Tuesday 12 May 2015

From Budget Night primary producers will be able to:

- Immediately deduct capital expenditure on:
 - o Fencing
 - o Water facilities e.g. dams, water tanks, bores, irrigation channels, pumps, water towers and windmills
- Depreciate over three years, capital expenditure on fodder storage assets e.g. silos and tanks used to store grain and other animal feed

Along with this, farm businesses will share in most of the benefits of the budget's small business package, including tax cuts and immediate tax deductions for items costing less than \$20,000.

The immediate asset write-off applies to small businesses with an aggregated annual turnover of less than \$2 million.

The immediate asset write-off will be available only from 7:30pm 12 May 2015 until 30 June 2017

Assets that cost \$20,000 or more will continue to be depreciated at the current rate.

Note: This is **not** legislation yet



Welcome Lyz, Kelly & Kristy



Goodbye Phil

After 5 years with Dianne Marchment and Associates, we said goodbye to Phil who is exploring a change of vocation, taking a position at Krahe's Pest Control

Asset	Current effective Life	Proposed effective Life
Fencing	Up to 30 years	Immediately deductible
Water facilities	3 years	Immediately deductible
Fodder storage assets	Up to 50 years	3 years

IMPORTANT ANNOUNCEMENTS



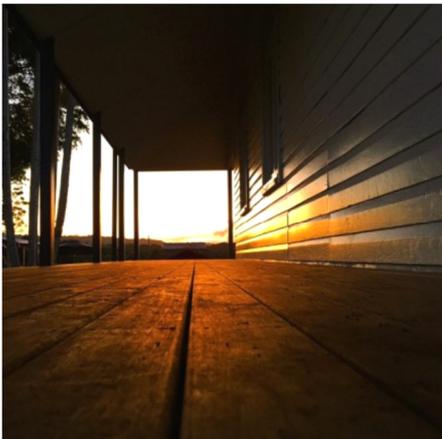
Drought Assistance

The Government is committed to supporting farmers who are suffering through the effects of drought.

\$250 million will be provided to continue the Drought Concessional Loan Scheme and the Drought Recovery Concessional Loan Scheme.

A further \$25 million to assist farmers reduce the impact of pest animals in drought-affected areas.

Please book an appointment with Dianne if you need assistance with completing forms



Farm Household Support

The Government is committed to supporting the farming community. For further information, please contact Centrelink or Department of Human Services



Australian Government

BUDGET | 2015

FREQUENTLY ASKED QUESTIONS

How does accelerated depreciation work?

You are able to purchase any item that relates to your business up to a cost of \$20,000 and get the tax deduction at tax time.

The way this is calculated is as follows:

Cost of item is \$19,000, times your marginal tax rate (say 30c in the dollar) to give you a reduction of tax payable of \$5,700 ($\$19,000 \times .30c$)

How many items can I buy using the accelerated depreciation?

There are NO limits on how many items are purchased, providing they fit the set criteria,

What if I buy a \$60,000 truck but have three invoices for \$20,000 each?

Single assets over \$20,000 will be pooled and depreciated at the current rate (15% in the first income year and 30% per year thereafter)

What about an asset bought prior to budget night?

Previous depreciation and write-off rules apply to any purchases made prior to 7:30pm on 12 May 2015

What happens if the legislation is not passed through Parliament?

If it's not passed through Parliament the previous depreciation rates will apply.

Are old/second hand assets eligible?

Yes, both new and old/second hand assets are eligible

GST inclusive or exclusive?

If you are registered for GST, then the GST exclusive amount is taken to be the cost of the asset

Where the entity is not registered for GST, then the GST inclusive amount is taken to be the cost of the asset

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