

CARDELL

CHARTERED ACCOUNTANTS

newsletter

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the sharing economy and tax ~ are you considering air bnb or uber?

There are multiple sharing economy websites and apps operating in Australia. The people who provide goods or services through any of them need to consider how GST and income tax apply to their earnings.

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accountants

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What is the sharing economy?

The sharing economy connects buyers (users) and sellers (providers) through a facilitator who usually operates an app or a website.

Popular sharing economy services include:

- renting out a room or a whole house or unit for a short-time basis
- providing taxi travel services (called 'ride-sourcing') for a fare
- providing personal services, such as creative or professional services like graphic design, creating websites, or odd jobs like deliveries and furniture assembly
- renting out a car parking space.

If you are involved in the sharing economy, you need to consider:

- if you are carrying on an enterprise
 - if you need an ABN
 - If you need to register for GST and lodge activity statements
- if the price of the goods or services you provide includes GST
- if and when you need to provide tax invoices for your sales
- if you need to declare your income in your income tax return
- what GST credits and income tax deductions you can claim for your expenses related to earning your income
- how all your sharing economy activities added together impact your GST and income tax obligations.

We recommend you contact our office if you are considering entering into one of these businesses □

cardell accountants ~ business as usual

After 15 years of providing Accounting and Auditing services for Cardell Accountants to the local community, Barry Hughes has recently retired.

Barry initially worked with Bob Cardell to grow the practice to what it is today. Both Barry and Bob were community minded, highly intelligent and had conservative ethical principles which continue on today as part of the firm's culture. Barry's contribution and humour will be missed.

Cardell Accountants is pleased to advise that Jason Kennedy and John Kilsby have recently successfully completed the Chartered Accountants Australia and New Zealand post graduate training program. Both are now qualified Chartered Accountants bringing their qualified expertise to the firm and are working with Marcus Bond on Accounting, BAS and taxation matters □

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small business restructure rollover

The small business restructure rollover allows small businesses to transfer active assets from one entity (the **transferor**) to one or more other entities (**transferees**), on or after 1 July 2016, without incurring an income tax liability.

This rollover applies to the transfer of

active assets that are CGT assets, trading stock, revenue assets or depreciating assets.

The rollover is available where the transfer of assets forms part of a genuine restructure as opposed to an artificial or inappropriately tax-driven scheme.

Determining whether a restructure is 'genuine' depends on all the facts

surrounding the restructure.

Please note, there may be potential liabilities such as stamp duty or GST consequences to consider prior to restructuring.

You should contact our office before making any changes under the small business restructure rollover to ensure it meets all of the conditions □

cardell planning ~ smsf advice

Marcus Bond has recently completed his studies allowing him to provide financial advice on Self-Managed Superannuation Funds and related matters.

This means that the practice is compliant with the requirements of FOFA for accountants (which came into effect from 1 July 2016) enabling the continued provision of advice to clients. Such advice has become more pertinent in the light of the changes to the superannuation regime currently being considered by the Government.

Please direct all of your SMSF questions and queries to Marcus, including setting up SMSF, pensions and contributions □

staff parties ~ fbt and gst

We remind you to be aware that Christmas party expenses are not tax deductible and the GST component cannot be claimed.

The Australian Taxation Office (ATO) is also reminding businesses that while staff Christmas parties can attract fringe benefits tax (FBT), there may be exemptions available depending on the venue and cost per employee.

Please contact our office if you require further information □

annual charity day

On Saturday 6 August 2016 staff volunteered their time by working unpaid to raise funds for charity.

As a team, the staff recognize their fortunate position where donating some weekend time can make a real difference in the life of others. This year the recipients were Crohn's & Colitis Australia and Wonthaggi Salvation Army. It was a successful day with over \$3,000 being raised. Our firm has donated \$22,780 to various charities over the past seven years □

visit us at www.cardell.com.au

happy holidays !

Our office will close for the Christmas holiday from 12pm on 23 December 2016 and will reopen on 9 January 2017 at 9am.

We would like to thank you for your continuing support and wish you all a happy and prosperous festive season □

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Technical experts and trusted business advisors

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