



Renting your house?

Renting out a house that was your main residence means you get rent, can claim deductions and when it comes to sell, you often won't have to pay capital gains tax (CGT). However, there are a few requirements to be met before you qualify.

To qualify for a full CGT exemption the property must have been your main residence from when you acquired it. If you move out of the property and rent it out, you can continue to claim an exemption from CGT for up to six years after you move out. If you do not rent it out you can claim a CGT exemption for it for an indefinite period after you move out.

If you rent out your home for more than six years you may still be entitled to a partial exemption. On the other hand you might buy a house, rent it out immediately and then later stop renting in and move in. In that case you cannot treat the house as your main residence before you lived in it – no matter how long you live in it after you move in. The amount of the capital gain that is taxed depends on how long you rented it out, so again the partial exemption may apply.

Your circumstances may change so if you move back into your home after it has been rented out and subsequently move out again, a new six year period commences

from the time you last moved out. There is no limit to the number of times you can do this, provided you do not nominate another home to be CGT exempt and each absence is less than six years.

BPAY

WHK LRK-Walkers is now set up for BPAY. The second page of your statement now includes our BPAY details and your unique BPAY identification number. So now you can make payments at any time that is convenient to you!

Fringe Benefits Tax



A fringe benefit is defined and generally means a benefit (i.e. any right, privilege, service or facility) that is:

- provided to an employee (including a former or future employee), or to an associate of the employee;
- provided in respect of the employment; and
- provided by the employer; an associate of the employer (eg. a related company) or a third party under an arrangement with the employer or associate.



Cars

In 2006 the ATO conducted a pilot program on car benefits. They found that a number of employers had failed to meet their Fringe Benefits Tax (FBT) obligations.

One of the main issues that was identified was the incorrect usage of logbooks. Most logbooks provided insufficient information of car usage.

You should record these details for each journey:

- the date(s) on which the journey began and ended;
- the odometer readings at the start and end of each journey;
- the kilometers traveled and the purpose of the journey.

Entries made under "purpose of the journey" must be sufficiently detailed to establish that they are business journeys. General descriptions such as "business" or "miscellaneous business" are not adequate.

You should also be aware of FBT obligations that may arise under the "home garaging rule" – that in most instances a car garaged at an employee's home is considered to be available for private use.

As the current FBT year is drawing to an end on 31.03.08, it's a good time to review your FBT obligations, especially those relating to cars.

FBT – Minor Benefit Exemption

A popular exemption that is available to employers is the exemption for minor benefits.



The minor benefit exemption applies where the following conditions are satisfied:

- a benefit is provided in respect to an employee's employment;
- the value of the benefit is less than \$300.00 (prior to 01.04.07 this threshold was \$100.00);
- the benefit is not given on a regular basis.

One of the most common misconceptions associated with applying the minor benefit exemption is that if the cost of a particular benefit is less than \$300, the benefit automatically qualifies as an exempt minor benefit.

It should be noted that the \$300 threshold is only one of the conditions that need to be satisfied in order to apply the exemption.

Tax help for farmers



Many farmers and regional communities are under increased pressure due to drought, floods, bushfires and storms.

The Tax Commissioner is reminding people who are finding it difficult to meet their tax obligations that the Tax Office can offer assistance.

"The Tax Office understands the impact that extreme and unpredictable weather conditions can have on rural and regional communities," Mr D'Ascenzo said.

"We know many farmers, businesses and individuals are unable to focus on their tax obligations at this time.

The Tax Office can help by:

- allowing more time to lodge activity statements or tax returns without incurring a penalty;
- allowing additional time to pay tax debts without any interest charges;
- remitting penalties or interest that may have been imposed.



Dalby. 11 Cunningham St, PO Box 59, Dalby Qld 4405. T: 07 4662 2277
Chinchilla. 26 Middle St, PO Box 61, Chinchilla Qld 4413. T: 07 4662 7108

Toowoomba. 146 Mort St, PO Box 22, Toowoomba Qld 4350. T: 07 4638 2866
Pittsworth. 71 Yandilla St, PO Box 49, Pittsworth Qld 4356. T: 07 4693 1077

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