

2010 Federal Budget

The 2010 federal budget was handed down on Tuesday night, 11 May 2010.

As this is an election year there were few surprises, and most of the changes announced will not be in place until 1 July 2011 or later.

To list just a couple which will have most effect.

The Medical expenses rebate change is from 1 July 2010 – the out of pocket threshold moves from \$1,500 to \$2,000.

For future years:

50% savings discount for interest income up to \$1,000 per annum from deposits held with a bank, building society or credit union, as well as bonds, debentures or annuity products. This is from 1 July 2011.

From 1 July 2012 there will be a standard deduction of \$500 increasing to \$1000 from 1 July 2013. Therefore, individual taxpayers who have simple affairs and deductions less than the standards above would benefit in not having to use a tax agent to prepare and lodge returns. As to how this will be implemented by the government, time will tell.

For more information on the budget follow the link below

<http://www.cch.com.au/au/MarketingPromo/MarketingPromo.aspx?PageTitle=Budget-Night-2010&ID=268>