

2015 Federal Budget

Changes for the 2015 tax year

- Small business can immediately write off assets they start to use or install ready to use that cost less than \$20,000. Applies from any assets purchase after 12 May 2015 until 30 June 2017.
 - Applies on a per asset basis – several assets each costing up to \$20,000 would qualify for the write-off.
 - Assets valued at \$20,000 or more can continue to be placed in the small business depreciation pool.
- Medicare levy low-income threshold for singles will be increased to \$20,896, for couples the threshold will be increased to \$35,261 and for single seniors and pensioners the threshold will be increased to \$33,044.

Changes from 1 July 2015

- A 1.5% cut in the company tax rate for small business (those with turnover less than \$2m). This reduces the tax rate from 30% down to 28.5%.
- The maximum franking credit rate for a distribution to companies will remain at 30%.
- Businesses can immediately deduct expenses associated with starting up a new business including professional, legal and accounting advice. These costs were previously called 'blackhole expenditure' and deducted over a 5-year period.
- Work related car expenses – 12% of original value method and 1/3 of actual expense method will be discontinued. Cents per kilometre and the logbook method will remain in place. The rate for cents/km will be capped at 66 cents per kilometre regardless of engine size.
- FIFO workers will not be eligible for the zone tax offset when their normal residence is not within a 'zone'. This means those FIFO workers whose normal residence is in one zone, but who work in a different zone, will retain the zone offset entitlement associated with their normal place of residence regardless of which zone they work in.

For in depth details of the budget changes please view the following link at

<http://www.charteredaccountants.com.au/federalbudget> then scroll down the page and click on

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