

PRIME MINISTER ANNOUNCES IMPENDING TAX CHANGES

1 February 2013

According to the mainstream press, the big story to come from Prime Minister Julia Gillard's address to the National Press Club on 30 January 2013 was the announcement of a Federal Election on September 14.

That part of the address was not what caught the attention of us here at Cleary Hoare Solicitors, but what the Prime Minister announced after that in relation to tax revenue.

After outlining that actual annual tax revenue has been 30 billion dollars less than forecast, the Prime Minister went on to say that in the lead up to and in the May Budget the government will announce substantial new structural savings that will maintain the sustainability of the Budget and make room for "key Labor priorities".

She then outlined what she referred to as "wasteful programs" that the government had removed whilst in office, and that further "tough, necessary decisions" will be made to deliver funding for the NDIS and education reform.

It's clear to us what that means for our clients, either increased taxes or the loss of currently available tax concessions.

Although the exact nature of the proposed changes is speculation, if you have clients who are considering utilising available concessions (for example the CGT Small Business Concessions), our advice would be to use them while they still exist so that your clients are not disadvantaged if those concessions are also deemed a "wasteful program".

One of the ways that this could be achieved would be by conducting an internal ownership restructure now, so that the clients can access the available concessions and realise their current value.

As the saying goes, you never know what you've got until it's gone.