

One-off cash bonus for eligible taxpayers

As part of its Nation Building and Jobs Plan, the Government on 3 February 2009 announced a \$12.7bn Household Stimulus package which features 5 key one-off cash payments for eligible taxpayers. The cash payments, targeted towards low to middle income earners, aim to provide "immediate stimulus to the economy" and will not be taxable income or considered income for social security purposes. A package of Bills proposing to implement the measures was introduced into the House of Reps on 4 February 2009.

Tax bonus of working Australians

A key bonus is the *Tax Bonus for Working Australians* of up to \$950 for every eligible worker. The bonus will be available to Australian resident taxpayers who paid tax in the 2007-08 year after taking into account available tax offsets and imputation credits; and who had a 2007-08 taxable income of \$100,000 or less.

Note that taxpayers should lodge their 2007-08 tax returns by 30 June 2009 (or by the deferred date granted by the Tax Office) to be eligible.

Note also that minors (a person under the age of 18) who are an excepted person or who have excepted assessable income (per Div 6AA of the ITAA 1936) will be eligible for the payment.

We have provided general information for guidance only in this newsletter. For business and personal taxation planning, or other professional advice having regard to your circumstances, please come and see either Charles or Matthew.



The amount of payment will depend on the eligible taxpayers' taxable income for 2007-08. Eligible taxpayers will receive:

- \$950 where their taxable income is up to and including \$80,000;
- \$650 where their taxable income exceeds \$80,000 and does not exceed \$90,000; or
- \$300 where their taxable income exceeds \$90,000 and does not exceed \$100,000.

Taxpayers will not need to apply for the bonus. The Tax Office will use taxpayers' tax returns to determine eligibility and how payments will be made. The payments for eligible taxpayers are expected to be made from April 2009 and will be sent to the address or bank account nominated in the 2007-08 tax returns. It is expected that the majority of payments will be made before 30 June 2009. Note that to change or provide address or bank details, taxpayers should contact the Tax Office on 1300 686 636 by the middle of March 2009.

The Tax Commissioner has also announced that work is underway to ensure the Tax Office can start paying the bonus from early April 2009. The Tax Office has released information on the bonus covering eligibility, payment, the need to update details if necessary, and using a tax agent. The information is available on the Tax Office Website.

The Government has published a factsheet on the bonus available on the Treasurer Website.

We have provided general information for guidance only in this newsletter. For business and personal taxation planning, or other professional advice having regard to your circumstances, please come and see either Charles or Matthew.



Other one-off cash bonuses

The other 4 key one-off cash bonuses which are expected to be paid in March and April 2009 to eligible recipients include:

\$950 *Single Income Family Bonus* to support families with 1 main income earner and who, on 3 February 2009, were eligible for Family Tax Benefit Part B (FTB-B). For those families that receive fortnightly instalments of FTB-B, the bonus will be paid automatically by Centrelink in the fortnight commencing 11 March 2009. The Government advises that a small number of families who claim FTB-B as a lump sum, will receive their payments from Centrelink in 2009-10 and 2010-11 after their 2008-09 tax returns have been processed by the Tax Office.

\$950 *Farmers' Hardship Bonus* to around 21,500 drought affected farmers and farm dependent small business owners receiving exceptional circumstances related income support. The bonus will be made to those individuals who, on 3 February 2009, were in receipt of the following payments:

- Exceptional Circumstances Relief Payment for Farmers;
- Exceptional Circumstances Relief Payment for Small Business;
- Interim Income Support for Farmers;
- Interim Income Support for Small Business;
- Transitional Income Support; or
- Farm Help Income Support.

The payments will be made automatically by Centrelink in the fortnight commencing 24 March 2009.

We have provided general information for guidance only in this newsletter. For business and personal taxation planning, or other professional advice having regard to your circumstances, please come and see either Charles or Matthew.



LEDGER
RUTLEDGE &
WALKER PTY LTD
CHARTERED ACCOUNTANTS

CD Ledger CA
MB Walker CA
42 Thesiger Court, Deakin
PO Box 308
DEAKIN WEST ACT 2600
Tel 02 6295 7110
Fax 02 6239 6854
email info@lrw.com.au

\$950 Back to School Bonus to families eligible for Family Tax Benefit Part A (FTB-A) on 3 February 2009 for each eligible child of school age (aged 4 to 18 on 3 February 2009).

\$950 Training and Learning Bonus. This bonus contains 2 components. First, it provides a one-off \$950 bonus to students and to certain other income support recipients as at 3 February 2009 to assist with education costs for the 2009 year. The payment will be made automatically by Centrelink in the fortnight commencing 24 March 2009. Second, it provides a temporary additional incentive for eligible social security recipients to return to education and training. This incentive is in the form of a \$950 temporary supplement to the Education Entry Payment, which provides financial assistance to commence approved training and education courses. The Education Entry Payment will be temporarily available from 1 January 2009 to 30 June 2010 to people who have been receiving eligible benefit payments for 1 month or longer and also has been extended to Youth Allowance (other) recipients.

The Government has also published the following factsheets available on the Treasurer Website:

- Single-Income Family Bonus
- Farmer's Hardship Bonus
- Back To School Bonus
- Training and Learning Bonus.

Centrelink has advised that those eligible for a bonus, payments will be paid into the recipient's bank account. Eligible recipients do not need to contact Centrelink. Further information is also available on the Centrelink Website.

We have provided general information for guidance only in this newsletter. For business and personal taxation planning, or other professional advice having regard to your circumstances, please come and see either Charles or Matthew.