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Deferring livestock sales – it's like throwing a boomerang. It's coming back!

If a grazier is forced to sell livestock (because of drought), they can elect to defer the taxable gross profit made on the sale of that stock and reduce their tax liability.

Many graziers have been forced to sell most, sometimes all their stock and have elected to use the livestock deferral. This can quickly add up to several hundreds and thousands of dollars. The tax saving in the current year is huge.

However, it is important to remember that the deferred gross profit from previous years is going to come back, just like a boomerang! This gross profit must be used to purchase replacement stock or treated as assessable income within 5 years.

If poorly managed a grazier can be forced to return previously deferred livestock sales in the same year they have made a large profit (perhaps a good winter crop harvest). This can lead to a significant tax liability.

We recommend deferred livestock sales are reviewed annually to ensure strategies are in place to effectively manage their return. This sometimes involves matching the return with super contributions, farm management deposits (FMD) or depreciation deductions.

Meet Jacob!

Cadet Accountant

Born and raised in Dubbo, our newest recruit Jacob recently completed his Higher School Certificate. He will be working as a cadet accountant. Jacob will commence studying a Bachelor of Business in the coming months. He is looking forward to diving into accounting theory and applying this knowledge to his work.

Jacob enjoys the social aspect of life and is usually seen with friends or family when he isn't at work. He is usually seen playing cricket or playing touch football with his friends. At school he enjoyed studying mathematics and Food technology.

Barnaby bank fast facts

- Drought loans now available through the Regional Investment Corporation
- Loans of up to $2 million interest and repayment free for the first two years
- Years 3-5 are interest only at a concessional rate (2.11%) with the balance to be repaid over the remaining term
- The new terms enable loans of up to $2 million over ten years
- After ten years there is an option to refinance any remaining balance.
- Loans can be used to prepare for, manage and recover from drought. The loans can refinance existing debt, fund drought-related activities, enhance productivity or pay for operating expenses or capital.
- Drought loans are offered by the Regional Investment Corporation along with a range of other products including Farm Investment Loans and AgRebuild Loans.

Australian Government | REGIONAL INVESTMENT CORPORATION

Text message reminder

We use a text messaging service to remind clients of their annual company statement obligations. These messages include how much is owing to ASIC, a link to the invoice and the due date for payment.

December BAS and IAS

The December business activity statement is due on 28 February 2020. **Extensions are not available as this is already an extended deadline.**

If you need to vary your instalment activity statement, the due date is also 28 February 2020

Did you know the Government can contribute to your super fund?

If you are a low or middle income earner, and you make a personal contribution into your superfund, the government may also make a Co-contribution, to a maximum of $500 per year.

The amount the government contributes, depends on your income and how much you put into super.

You don't need to do a separate application to receive the co-contribution, the ATO will work out if you are eligible once you lodge your tax return.

To be eligible for the contribution, you must meet all the below requirements:

- Be under 71 years old
- Not hold a temporary VISA
- Have a total super balance of less than $1.6 million
- Not have contributed more than your non-concessional contributions cap
- You are not entitled to a co-contribution for any super contributions that have been claimed as a tax deduction.
- Your income for the 2019 financial year, must be less than $53,563, for any co-contribution
- At least 10% of your income must be received as salary and wage, or business income.

If all the above requirements are met the government will automatically co-contribute to your super account.