

The Highlights

This is a highly targeted Budget that seeks to keep change within community tolerance levels.

Most spending measures target productivity gains – although small businesses with turnover between \$2m and \$5m will be disappointed. Revenue measures target the asset or income rich, or just plain unpopular.

Accelerated depreciation across multiple areas

- **Micro business** - immediate deductibility from Budget night for any assets purchased and used or installed and ready to use by 30 June 2017 that cost less than \$20,000
- **Start ups** – immediate deductibility for professional expenses – cost of lawyers and accountants to get a business up and running
- **Farmers** – immediate deductibility for fencing and water facilities

Tax cuts for small business (under \$2m) from 1 July 2015

- 1.5% company tax reduction
- 5% tax discount for unincorporated small businesses

GST on digital supplies

Similar GST treatment applied to supplies of digital products to Australian consumers – including consulting and professional services – regardless of whether they are supplied by a local or foreign supplier.

Individuals

Changes to work related deductions for car expenses – 12% of original value and one third of actual cost methods removed and simplification of cents per kilometre method.

FBT changes

- Changes to salary sacrificed meal entertainment for not for profits
- Expansion of FBT exemption for work related electronic devices provided by small businesses

Multinationals targeted

Changes to Part IVA target around 30 global companies with revenue in excess of \$1bn.

Accessing government benefits

- Changes to how superannuants' income counted for social security
- Child care shake up - Collapses three current eligibility tests with one means and activity test
- Asset test changes mean 91,000 pensioners no longer qualify and 235,000 will have pension reduced
- 'Double dipping' Government and employer paid parental leave stopped.

[Read all of the details of the 2015 Budget here.](#)

No part of this document should be reproduced or utilised in any form or by any means, electronic or mechanical, including photocopying, recording or by information storage or retrieval system, other than specified without written permission from Collins Hume.

Please direct any questions regarding this Budget 2015 summary to:

Collins Hume Accountants & Business Advisers
97 Tamar Street
Ballina, NSW 2478
Phone 02 6686 3000