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Tax initiatives scrapped

Written by Melanie Toye

Since the change of Government, changes and amendments to legislations are occurring. Seven initiatives have been scraped, three of these are:

Self-Education Expenses Cap
Is a $2,000 cap on deductions for self-education expenses, including training and educational courses, textbooks and other accreditation expenses. These expenses will be deductible according to the standard rulings.

It was noted, the highest number of self-education claims over $2000 (ie 80%) come from people earning less than $80,000 per annum.

$1.8 billion Fringe Benefits Tax
Is in relation to having a company or salary sacrificed vehicle.

Tax on Superannuation Pensions
Earning taxed from super assets supporting retirement income streams. This would have taxed superannuation pension earnings above $100,000 in the draw-down phase.

The complexity and compliance costs associated with this initiative are not necessary to carry forward.

Amendments to three measures include Thin Capitalisation Changes, Offshore Banking Unit and proposed deny deductions made under section 25-90 of the Income Tax Assessment Act 1997.

The Government will proceed with 18 un-enacted measures, maintaining close to $11 billion in revenue over the forward estimates. Part of this involves: Tobacco Tax Changes, Net Medical Expenses Tax Offset (NMETO), Managed Investment Trusts and Farm finance.

Policies relating to these matters, are aimed to be solved by 1 December 2013. To align with the Mid-Year Economic and Fiscal Outlook.

The Government aims for the majority of legislation to be advanced and passed by 1 July 2014 by Parliament.

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