

2019 Federal Budget – What it means for you!

This year's Budget is rather unique as it occurred just before a federal election.

While there are many parts of this year's Budget that apply to future years, we have summarised below the key changes you need to know about for the next 12 months.

Remember, if the Federal Government changes then the Budget changes below probably won't happen and other decisions by the new Government will happen.

It certainly makes life difficult when trying to decide whether to do something now or wait until after the election.

There are 3 key areas we would like to make you aware of.

LOWER TAXES

Tax cuts were the headline act of this year's "back in black" (a forecast return to surplus) bonanza.

The government has announced immediate tax relief for low and middle income earners (earning from \$48,000 to \$90,000) of up to \$1,080 for singles or up to \$2,160 for dual income families to ease the cost of living.

If the Coalition Government is re-elected, then this means immediate cash back to individuals in July 2019 when they lodge their tax returns.

The Coalition will also be lowering the 32.5 per cent rate to 30 per cent in 2024-25, increasing the reward for effort by ensuring a projected 94 per cent of taxpayers will face a marginal tax rate of no more than 30 per cent.

INSTANT ASSET WRITE OFF

Smaller businesses (income under \$10 million) will be able to immediately deduct purchases of eligible assets costing less than \$30,000 from budget night 2 April 2019 up until 30 June 2020. This has increase from the previous amount of \$25,000, which if legalisation is passed, will approve a deduction of up to \$25,000 from 29 January 2019 to 2 April 2019.

Medium sized businesses (income from \$10 million to \$50 million) will also be able to immediately deduct purchases of eligible assets costing less than \$30,000 from budget night 2 April 2019 to 30 June 2020.

SUPERANNUATION

Fortunately, super hasn't been tinkered with too much this time.

The government will allow voluntary superannuation contributions (both concessional and non-concessional) to be made by those aged 65 and 66 without meeting the work test from 1 July 2020. People aged 65 and 66 will also be able to make up to three years of non-concessional contributions under the bring-forward rule.

Those up to and including age 74 will be able to receive spouse contributions, with those 65 and 66 no longer needing to meet a work test.

NEXT STEPS

We're here to help you! If you have any questions about how the 2019 Budget affects you – please contact our office and one of our expert accountants will help you!