



PRIVATE AND CONFIDENTIAL

April 2011

We are pleased to supply you with the April 2011 edition of **MGA's Client Alert**, which contains information on a number of important taxation developments up to and including 22 March 2011:

- Cash Economy Letters Encouraging Compliance, Says Tax Office**

According to the Tax Office, its cash economy letter program is encouraging positive compliance behaviour.
- Director's Penalty Notice Given When Delivered, Not Posted**

The NSW Court of Appeal has made a decision concerning the period within which a director is required to take action in response to a director's penalty notice.
- GIC And SIC Rates**

The Tax Office has advised the general interest charge (GIC) and shortfall interest charge (SIC) rates for the fourth quarter of the 2010–11 income year.
- Labour Hire Firms And Splitting Income Warning**

The Tax Office is looking at arrangements where a discretionary trust is used to split the incomes of workers with their spouses.
- Calculating Distributable Surplus When Tax Bill Amended**

The Tax Office has responded to a court decision dealing with the calculation of a company's net assets and distributable surplus after an amended assessment is received.
- Watch Out For Scammers, Says Tax Office**

The Commissioner has reminded people to be aware of scam behaviour and to report anything suspicious.
- Eye Glasses Discount Deal Throws New Light On GST Calculation**

A retailer of spectacles has won a court case regarding the correct calculation of GST in relation to spectacles it sold to customers under a special promotion.
- Tax Office's Approach To Self-Managed Super Funds Affected By Floods**

The Tax Office has indicated how it will deal with SMSFs that own flood or cyclone-damaged buildings purchased under strict borrowing rules.

Please contact us if you wish to discuss how the points raised in **MGA's Client Alert** specifically affect you.

Yours sincerely

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