



PRIVATE AND CONFIDENTIAL

December 2008/January 2009

**“CLIENT ALERT”
Newsletter**

We are pleased to supply you with the December 2008/January 2009 edition of **MGA’s Client Alert**.

This edition provides you with the latest important developments in taxation that may affect you or your business, including the following:

- **Medicare Levy Surcharge Thresholds**
The Bill to increase the Medicare levy surcharge thresholds has received enactment.
- **Deductibility of Legal Expenses**
A recent High Court decision regarding the deductibility of legal expenses incurred by a taxpayer.
- **GST and Cancellation Fees**
A Draft GST Ruling explaining the GST consequences when entities receive cancellation fees from customers.
- **Refunds for Indirect Taxes**
A Draft Miscellaneous Taxation Ruling setting out the requirements for a valid notice when an entity is seeking a refund for indirect taxes.
- **Allowances and Foreign Earnings**
The Tax Office’s view on whether allowances received in relation to foreign employment by a taxpayer are assessable income.
- **Abolishing Trust Cloning**
The proposed removal of the ‘trust cloning’ exception, which disregards any capital gains arising from certain CGT events.
- **Superannuation Guarantee**
A Draft Superannuation Guarantee Ruling stating whether payments to employees form part of ordinary time earnings and/or salary or wages.
- **SMSFs and In-house Assets**
In a Draft SMSF Ruling, the Tax Office explains the core concepts contained in the definition of ‘in-house assets’.
- **Trustee of SMSF Charged**
A trustee of an SMSF has been charged in court for allegedly breaching his duties.
- **Social Security Payments**
Change to the income test deeming rates and lump sum payments to pensioners and families as part of the Economic Security Strategy.

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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