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PRIVATE AND CONFIDENTIAL

February 2010

We are pleased to supply you with the February 2010 edition of **MGA's Client Alert**, which contains information on a number of important taxation developments up to and including 4 January 2010:

- **Proposed Amendments to the Tax Laws**

The Government has introduced a Bill seeking to amend the tax laws, including optional CGT rollover relief for the transfer of assets between 'fixed' trusts.

- **Improvements to GST Administration**

The Government has also introduced a Bill proposing improvements to GST administration, including a four-year limitation period to claim input tax credits and recovery of overpaid GST refunds.

- **GST and Sale of Vacant Land**

The Federal Court has held that vacant land does not satisfy the definition of residential premises and, therefore, constitutes a taxable supply.

- **Capital Losses and Continuity of Trust**

The Federal Court has also affirmed a trust was entitled to offset its capital gains with carried forward capital losses even though the membership of the trust had changed.

- **Deductibility of Disability Superannuation Benefit Premiums**

The Government has announced a transitional arrangement will be introduced to allow superannuation funds to deduct total and permanent disability (TPD) insurance premiums.

- **Trauma Insurance Policies and SMSFs**

The Commissioner has released his preliminary views on the implications of SMSFs purchasing trauma insurance policies for their members.

- **GIC and SIC Rates Released**

The Tax Office has released the interest rates for the third quarter of the 2009/10 income year

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

Yours sincerely

MARTIN GOODRICH & ASSOCIATES PTY LTD

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