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PRIVATE AND CONFIDENTIAL

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

- **Trust Income and Bamford: Tax Office View**
The Tax Office has released a statement outlining the Commissioner's view on the High Court's decision on a case dealing with trust income issues.
- **Div 7A Loans and Trust Entitlements**
The Tax Office has released a Taxation Ruling which considers when a private company with an unpaid present entitlement from an associated trust is considered to have made a loan to the trust.
- **Commissioner's Discretion to Disregard Deemed Dividend Provisions**
The Tax Office has released a Draft Taxation Ruling which outlines the requirements to be satisfied before the Commissioner can disregard a deemed unfranked dividend from arising when a private company lends an amount to a shareholder.
- **Vacant Land not Input Taxed as 'Residential Premises'**
In a recent case, the Full Federal Court has unanimously dismissed a taxpayer's appeal against an assessment of GST in respect of the sale of two separate blocks of vacant land.
- **SMSFs and Instalment Warrants: Rules to be Tightened**
The Government has proposed amendments to the superannuation law to reduce risks for super funds investing in limited recourse borrowing arrangements (eg instalment warrant arrangements).
- **Superannuation Co-contribution: Proposed Changes**
The Government has proposed amendments to modify the operation of the Government superannuation co-contribution scheme.
- **Henry Tax Recommendations to Watch Out For**
There are a number of recommendations made by the Government in response to the Henry Report which, if implemented, will impact many taxpayers.
- **Various Rates and Thresholds for 2010/11**
The Tax Office has released rates and thresholds for car depreciation, luxury car tax and CGT improvements.
- **GIC and SIC Rates Released**
The Tax Office has advised the GIC and SIC rates for the first quarter of the 2010/11 financial year.

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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