



RECEIVE THE TAX DEDUCTIONS THAT YOU ARE ENTITLED TO FILM FACTS

INCREASE YOUR CASH WITH COMPANY/TRUST AND TRAVEL ALLOWANCE

By changing the way you invoice, you can both increase your cash income and decrease the tax you pay. This is best demonstrated by way of a simple example using annualised figures.

Sarah Jane, a director of photography, based in Sydney is offered \$3,000 per week on the Gold Coast. She can receive it either as a wage through her own name or through her Company/Trust. She is also offered \$2,281.65 per week for the hire of her equipment that she operates.

Scenario 1:

She takes a wage under her own name and the equipment is hired under her Company/ Trust.

Wage \$3000 x 52	\$ 156,000
Less Tax	\$ 45,667
After Tax	\$ 110,333

Superannuation received	\$ 14,820
	\$ 125,153

Equipment Hire \$2281.65 x 52	\$ 118,645
Less travel allowance	\$ 118,645
Taxable income	\$ 0

Overall after tax cash \$ 243,798.

Sarah Jane would also receive holiday pay, sick pay and workers compensation would have been paid on her behalf. Her Company/ Trust would also get a deduction for airfares and freight.

THIS NEWSLETTER

The information contained in this newsletter is for informational purposes only. It is not intended to take the place of financial and accounting advice and should not be relied on when making business or personal decisions. "Tax Summary" by Taxpayers Australia Inc. has been used in the compilation of this newsletter"

Scenario 2:

Sarah Jane takes a wage and receives an equipment allowance

Wage	\$ 156,000
Equipment	\$ 118,645
	\$ 274,645

Less Tax	\$ 99,030
	\$ 175,615

Superannuation	\$ 14,820
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Overall after tax cash \$ 190,435

Result:

Scenario 1 beats Scenario 2 by \$53,363

Reason: Under Scenario 1 the company/ trust can claim the travel allowance.

FACTS ABOUT TRAVEL ALLOWANCE

- They are government determined.
- They are updated each financial year.
- No documents are required to support the claims for domestic accommodation, food and incidentals provided accommodation is at a commercial establishment.
- Substantiation is required for foreign accommodation.
- Rates are given for most places eg **Sydney** is up to **\$441.35 per night** and **Paris** is up to **\$355** per night.

\$20000 Immediate Asset Write Off Ends Soon

For small business owners the ability to immediately write off assets up to \$20,000 finishes at the end of this financial year ie at 30 June 2017. So get in before then.

FURTHER INFORMATION

If you would like further information on any of these matters raised in this newsletter, please contact:

07 3862 1361

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ARTIST AVERAGING GREAT RESULT

If you have an artistic input in your film making occupation you may be eligible for artist averaging. If you are, the results can be highly beneficial.

By way of example using the figures from the example above:

If Sarah Jane was in her first year as a director of photography the tax would drop from **\$45,667** to **\$12,350** excluding Medicare under the first scenario. Under Scenario 2 her tax would drop from **\$99,030** to **\$48,887** excluding Medicare.

PRODUCER OFFSET

For the Producer Offset, the applicant must be an Australian company or a foreign company with an Australian permanent residency and an ABN.

The Producer Offset is a tax rebate administered by the Australian Taxation Office (ATO) to an applicant company as part of that company's tax return. This means that the ATO will offset the Producer Offset amount claimed by the company against the company's existing tax liabilities.

Travel Insurance

This is not tax deductible even when travelling for business

Working Outside

Expenses for sunscreen, sunglasses and hats etc are deductible for outdoor workers.

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