

# Lao Pollock & Co

Certified Practising Accountants  
Registered Tax Agents



## LAO POLLOCK & CO

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### OUR SERVICES:

**Specialist Taxation  
Advice and Compliance**

**Accounting  
Bookkeeping  
Administration**

Lao Pollock & Co is a CPA  
Practice.

Registered Tax Agent

Our firm specialises in the provision of quality taxation compliance and advice services to individuals and small business. Most of our clients engage our firm in compliance work (preparation of tax returns), and we also take instruction from clients and professionals (eg. solicitors, trustees and executors) in providing opinion relating to more complex tax matters.

We also engage in accounting and administration services for clients.

## TAX MATTERS - NEWSLETTER

*Thank you for taking the time to read our Tax Practice Newsletter.  
Please feel free to hand our Newsletter to a friend, relative or associate.*

### "HOT TOPIC" -

#### New Superannuation Contribution Limits commence 1 July 2014

Compulsory contributions made by an employer into superannuation (super guarantee contributions), "pre tax" contributions made under a salary sacrifice arrangement, or contributions made by self employed people are referred to as "Concessional Contributions". Under current arrangements an annual limit of \$35,000 applies for persons over age 60, compared to the general concessional cap of \$25,000 pa for all others. From 1 July 2014, the concessional contribution limit will be \$35,000 pa for persons aged 49 years of age or older as at 30 June 2014. The general concessional limit will be indexed to \$30,000 pa for all others. This may now provide scope for people to review their superannuation strategies with their financial planner (subject to age and work test criteria), ready for 1 July 2014 implementation.

**For clarification on this issue, please contact us.**

### DID YOU KNOW?

#### You could be putting your head on "The Block"!

A number of current television "do it yourself" home renovation shows may motivate us to try our hand at renovating a property or set about improving our asset to make a gain. The taxation office provides guidelines on this issue and has established 3 broad categories of "taxpayer types" to determine the tax outcome, based on matters of fact. For example, if a taxpayer sold their rental property without improvement or repaired to original condition, a capital gains event would occur, if the intention was to generate rental income from the property. This taxpayer is classed a "property investor". If a taxpayer "sets about the business of being a renovator" or "undertaking a profit making activity" as distinct from a "property investor" **then the profit may be taxed as ordinary income and not under the capital gains tax provisions.**

**DID YOU KNOW,** "undertaking a profit making activity" can apply to "one off" substantial home renovations to your own home, if the intent was to make a profit!

**For clarification on this issue, please contact us.**

### PRACTICE MATTERS

#### Client referrals

We always greatly value your support, so please do not hesitate in mentioning either Catherine or Carl to your friends who may be seeking assistance with a tax matter.

### CONTACT

**Please call Catherine Pollock or Carl Lao on 9633 9220 for assistance with your tax matters.**

#### Disclaimer

Liability limited by a scheme approved under Professional Standards Legislation.  
The content of this newsletter is general tax advice only and not specific personal advice.