



## 2017 BUDGET SUMMARY



### **NEW DEVELOPMENTS IN THE SMALL BUSINESS ASSET WRITE OFF**

The wonderful \$20,000 asset write off for small business is going to be extended for another year to 30 June 2018. In extra wonderful news, last night's budget has settled on its intention that this measure will extend to small businesses, now up to a turnover level of \$10 million.

### **MEDICARE LEVY INCREASES**

The Medicare levy will rise from 2% to 2.5%.

### **HECS/HELP**

University graduates will have to pay back HECS sooner with the repayment threshold reducing from \$55,000 to \$42,000.

### **CLAIMING RENTAL PROPERTY TRAVEL EXPENSES**

Investors will no longer be able to claim tax deductions for travel expenses related to inspecting, maintaining or collecting rent for a residential property from 1 July 2017. Inspection fees charged by a property manager will remain tax deductible.

### **DEPRECIATION CLAIMS FOR RENTAL PROPERTY PLANT AND EQUIPMENT**

In a controversial measure, the government proposes to introduce legislation that only allows depreciation deductions on plant and equipment if the investor actually purchased them. This is aimed at stopping items being claimed as tax write-offs for successive investors in excess of their actual value. The changes will apply for properties purchased after budget night.

### **FIRST HOME BUYERS**

First home buyers will be able to use voluntary contributions to their superannuation to save for a house deposit. Withdrawals will be taxed at a lower rate but the amount that you can contribute is capped at \$15,000 per year to a maximum of \$30,000. Both members of a couple can take advantage of the scheme.

### **TWO FROM THE VICTORIAN STATE BUDGET**

#### **STAMP DUTY CONCESSIONS**

The Victorian government has proposed to abolish stamp duty for first home buyers on properties up to \$600,000, with partial stamp duty payable on properties up to \$750,000.

#### **SPOUSE PROPERTY TRANSFER FOR NATURAL LOVE AND AFFECTION**

Property transfers between spouse or de facto partners involving commercial or investment properties will no longer be exempt from stamp duty from 1 July 2017. The stamp duty concessions on principal place of residence transfers and transfers following a marriage breakdown will however remain in place.