

## Start Your Engines! Investment Allowance now ~~30%~~ **Now Proposed 50%**



The Federal Government recently announced an increase in the "Temporary Investment Allowance" from 10% to 30% as further stimulus to encourage businesses to invest in Capital Equipment and Motor Vehicles.

The allowance gives businesses a "One-off tax deduction", equal to 30% of the Capital Cost of eligible New Equipment and Motor Vehicles.

This is in addition to the standard depreciation claimed for such assets.

For example, on a \$100,000 machine this equates to an extra \$30,000 as a "one-off" tax deduction.

To be eligible the assets must be "installed ready for use" by 30 June 2010. This means:

- "Small businesses" acquiring assets costing more than \$1,000 will be allowed an additional tax deduction of 30 per cent of the asset's cost; and,
- "Other businesses" acquiring assets costing more than \$10,000 will be allowed an additional tax deduction of 30 per cent of the asset's cost (10% if installed after 30/6/09).

Before preparing financial statements and income tax returns there are some issues that need to be addressed as a single asset might be subject to various depreciation treatments and may or may not be allowed the "investment allowance" claim.

These are some of the issues:

- The assets need to be "new"
- The "investment allowance" is available where the depreciation claim is prepared under the depreciation provisions of Div 40 of the Income Tax Assessment Act 1997 (Cwlth)
- "Capital works" do not qualify for the allowance (These claims are prepared according to Div 43 of the ITAA Act)

- The investment allowance is not "accounted for" in the financial statements. It is a deduction which is claimed only in the tax return. Therefore, there will be a difference between accounting profit and taxable income
- It is also possible for a business to maintain a depreciation schedule for accounting purposes and a separate depreciation schedule for tax claim purposes.

With interest rates at 40-year lows and still dropping, equipment and motor vehicles being sold at bargain prices, there has never been a more critical time to position your business for the future.

If investing in capital equipment can make your business leaner and fitter, you should give it serious consideration.

To make the most of the Investment Allowance, one option you may like to consider is a Commercial Hire Purchase (CHP).

A Commercial Hire Purchase is a commercial finance product where the customer hires the vehicle from the financier for a fixed monthly repayment over a set period of time.

A CHP is suitable for companies, partnerships and sole traders who account for GST on an Accruals basis, and individuals using the vehicle for business purposes.

If you have any questions or would like to know more about a CHP, various leasing products or chattel mortgage options, please contact us today.

**ACT NOW! Don't miss the 30th June, 2009 deadline.**

# Hasty Appeal in a Thrilling Finish

Sunday 5th April saw a massive crowd turn out to see the running of the \$60,000 Winsec Wangaratta Cup



Images from [www.virtualformguide.com](http://www.virtualformguide.com)

This year's Winsec Wangaratta Cup saw Hasty Appeal make it back-to-back country cups when he got home to beat Scenic Scene and Spaceage Juliet in a thrilling finish.

Vanda Wales, the gelding's owner and trainer, now has managed back-to-back feature wins with Hasty Appeal following his last start success in the Tatura Cup.

"I've got a new place and I don't even have a mantle piece," Wales said with a laugh moments before the presentation.

"He's doing a great job," Wales said of the son of Gold Carat. "I picked him up cheaply as a three-year-old."

"Since then I've just given him lots of time and he's really well and settled now and is racing in great form."

Scenic Scene (\$3.60 fav), ran a bold second placing, while evergreen Benalla mare Spaceage Juliet (\$9) was close up and third over the line.

Winsec Savings & Loans are the current naming rights sponsor for the district's premier race meeting of the year.

"We are delighted to be involved in the district's premier race meeting of the year and to be working closely with the Wangaratta Turf Club to promote and develop this race event," said Winsec Managing Director, Tony Ruvolo.

"Winsec Savings & Loans exists to provide members of the community with competitive financial products and efficient, friendly service. We at Winsec see this partnership with the Wangaratta Turf Club as two community focused organisations working together to promote a major community event."



Winsec Savings & Loans Managing Director Tony Ruvolo presenting the Winsec Wangaratta Cup to Hasty Appeal's owner Vanda Wales and winning jockey Wayne Hokai.

Wangaratta Turf Club CEO, Wayne Shepherd, welcomes Winsec's involvement.

"We are delighted to have Winsec on board. There is over 100 years of history associated with the running of the Winsec Wangaratta Cup and it is appropriate that two community based organisations should join together in such a partnership to promote the premier race meeting in the district," said Shepherd.

The first Wangaratta Cup was run in 1904, before that time the premier race was called a plate. Two horses have won the Wangaratta Cup twice, Sarakos 1935 and 1936, Here's Cheers 1971 and 1972.

In 1985 the Wangaratta Turf Club was one of the first Victorian country clubs invited to race on Melbourne Cup Day, which has proven to be a bonanza for the club.

Winsec Savings & Loans has a policy of sponsoring community-based clubs and important community events which help bolster the regional economy.

Some of the clubs and events that have benefited are the Wangaratta Golf Club, Wangaratta Football & Netball Club, Wangaratta Squash & Racquetball Club, Wangaratta Little Athletics Club, the Park Lane Ladies Bowls Club, the Wangaratta Show Monster Fireworks Display and the Ovens Bowls Club.



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Winsec Notes is published quarterly by Win Securities Ltd ACN 007346223 AFSL No 240901.

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