



MAY 2017

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THE BUDGET 2017 !!!

As you know, the Budget was handed down on 9 May 2017 and some of the changes made affect First Home Buyers, Vendors and Purchasers equally. If you manage an investment property, you will also be interested in some of the comments made by the Treasurer. Some of the changes are set out below in bullet point form.

- The First Home Buyer will be entitled to contribute a maximum of \$15,000 per year up to a maximum of \$30,000 into a superannuation fund. The monies may later be withdrawn from the superannuation fund when needed to purchase a property and the withdrawal will be concessional tax;
- Tax Deductions for travel costs to rental properties will cease on 1 July 2017;
- Purchasers (instead of developers) of new homes must remit the GST to the ATO;
- The general discount on Capital Gains Tax made on the sale of affordable housing will increase from 50% to 60%;
- The Government will limit plant and equipment depreciation deductions to outlays actually incurred by investors in residential property. This proposal has been introduced to address the concern that some plant and equipment items are being depreciated in excess of their actual value by subsequent owners of property;

- The Foreign Resident Withholding Tax Application will now apply to any sales of Australian property from \$750,000 up. Currently, it only applies to properties sold from \$2 million upward. In addition, the Capital Gains Withholding Tax rate for foreign investors will increase from 10% to 12.5%;
- Individuals over 64 years of age will be able to make a non-concessional superannuation contribution up to a maximum of \$300,000 when they sell their home for the purposes of downsizing. In order to qualify, they must have owned a home for at least ten years prior to sale. For a couple, they each will be entitled to a maximum of \$300,000.

Whether you are buying or selling you should give us a call to ensure that you are entitled to the maximum benefits and that you do not fail to meet some of the compliance requirements mentioned above. Please feel free to contact **John Pacchiarotta** on 02 46 27 3333

FAMILY LAW CHANGES IN THE FEDERAL BUDGET 2017

In the Federal budget released on Tuesday 9 May, the federal government has announced allocation of funding for a program known as "Parent Management Hearings" to assist with the backlog of cases in the Federal Circuit Court and the Family Court of Australia.

There isn't a great deal of information about the program at this time, but it appears that within 12 months, in the Parramatta region there will be a panel of family lawyers, psychologists and

other experts appointed to assist separated parents from resolving disputes about children without needing to go to court. Media reports indicate that the program will involve parents representing themselves.

At the time of preparing this newsletter, no details have been published about how parents are to be referred into the system.

As further details become available, we will include them in future newsletters.

If you require assistance advice in relation to a family law dispute, please do not hesitate to contact **Sean Cahill** who is an Accredited Family Law Specialist or one of our other solicitors who also practices in the area of family law.

(Keep in mind, any changes outlined in the Federal Budget must be passed by both the House of Representatives, which is controlled by the government, and the Senate, where proposed expenditures are subject to examination within Senate estimates hearings. This means any proposed changes outlined herein may not necessarily become law !!!)

ESTATE PLANNING

When sorting out personal finances, estate planning is often found languishing towards the bottom of the to-do list – if it makes it onto the list at all. I'm too young to think about bequeathing my wealth, they say.

Plenty of time for that in the coming years !!

There always seem to be more pressing issues at hand.

However, nobody can predict what tomorrow might bring, and your family could suffer further should the worst befall you. Getting your estate in order sooner rather than later provides a security blanket for your loved ones after you're gone.

Understandably, most people aren't keen on addressing the issue of mortality, the prospect of estate planning often considered a stark reminder of our mortality. It might be a little unsettling, but proper planning can make the world of difference to your friends and family after you've gone. Those without a plan in place could unintentionally subject their loved ones to further heartache and financial strain.

Do not leave it until it's late – you should think about your circumstances now – contact any one of our solicitors to discuss your needs before it is too late !!

We have brochures available in our reception to help you understand the importance of these documents – why not grab one next time you visit.

MEEHANS SOLICITORS

171-179 QUEEN ST.,
CAMPBELLTOWN
PHONE: 46 27 3333

OR

2/31 OXFORD ROAD,
INGLEBURN
PHONE: 9829 3333

HELPLINE 0418 37 32 37



(Paul Meehan – Principal)

Visit our website:-

Website: www.meehans.com.au

Email: info@meehans.com.au

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