



Cutter & Neale
SPECIALIST MEDICAL SERVICES

Financial ParacetamolALERT

Common sense prevails in proposed GST impost on medical services

The bad news

In the October edition of our *Financial Paracetamol* newsletter we flagged the potential impact of proposed changes to GST on medical services billed to a third party such as the DVA.

Had the changes gone ahead, health care providers who neglected to add 10% to their bill would have had to pay the GST themselves. There was also the prospect of potential compliance issues and additional administration costs.

Many readers contacted us to express their concerns about this matter.

The good news

The ATO has revised the draft legislation to keep the following arrangements GST-free:

- Supplies made under a compulsory third party (CTP) scheme
- Supplies made by health care providers to a Commonwealth, State or Territory government entity.

Don't hesitate to contact me if you have any questions.

Merry Christmas

Jarrod Bramble
PARTNER

Specialists in accounting services
to medical practitioners since 1953.

How to avoid an FBT headache after your Christmas party

A little bit of planning now could save you from a rude shock come FBT and Tax time.

Here's a summary of what's what.

	Tax Deductible	Subject to FBT
Function on premises		
Client	✓	X
Employee	X	X
Employee Spouse < \$300 pp	X	X
Employee Spouse > \$300 pp	X	✓
Function off premises		
Client	✓	X
Employee < \$300 pp	X	X
Employee > \$300 pp	✓	✓
Employee Spouse < \$300 pp	X	X
Employee Spouse > \$300 pp	✓	✓
Gifts		
Client	✓	X
Employee < \$300 pp	✓	X
Employee > \$300 pp	✓	✓

Christmas Cash Bonuses

Always consider the tax consequence of paying cash bonuses to staff at Christmas time.

Not factoring in the appropriate tax withholding may result in a tax bill to your employee come year end.

CN112155

■ Contact us now
1800 988 522



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