CHARTERED ACCOUNTANTS
AUSTRALIA + NEW ZEALAND

GREENTAYLOR
PARTNERS

2026 JUNE

Quarterly Newsletter

Green Taylor Partners

This edition

Also in this issue

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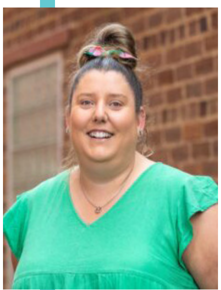
TID BITS

WELCOME BILLIE

We're pleased to welcome Billie Carter to the GTP team as our newest Admin Officer. Billie commenced earlier this month and will be based at the front desk on reception. We're excited to have Billie on board to support our administrative needs and help ensure clients feel welcome on arrival.

BIRTH ANNOUNCEMENT



Kayla and Angas Richardson announced the arrival of Baby number 2, Tess Kayla Richardson born on 3rd June. Congratulations to the family of 4.

BIGGEST MORNING TEA

Last Wednesday, the team put on their baking hats to take part in Australia's Biggest Morning Tea!

GTP was proud to raise $411.50 for the Cancer Council, helping to support vital cancer research, prevention programs, and support services for those affected by cancer.

Every cup shared, every slice enjoyed, and every donation made helps make a difference.

ATO KEY DATES

June

21st - Lodge and pay May monthly BAS

25th - Lodge and pay FBT returns

30th - Super guarantee contributions must be paid by this date to qualify for a tax deduction in the 2025-26 financial year

July

14th - Single Touch Payroll (STP) finalisation

21st - Lodge and pay June monthly BAS

28th - Lodge and pay April-June quarterly BAS

August

21st - Lodge and pay July monthly BAS

2026-27 Federal Budget Overview

Breanna Bell

Treasurer Jim Chalmers delivered the 2026-27 Federal Budget on Tuesday 12 May 2026, announcing that there will be significant changes to the current tax system in response to ongoing economic challenges.

It is important to remember these are only announcements and the final legislation may be different.

Below is a summary of the key announcements in simple terms to help you understand what they could mean for you.

BUDGET TAX CHANGES & PROPOSALS

For Individuals and Households

- ***New Working Australians Tax Offset***
  - Individuals who earn income from wages and/or sole trader business income will have access to a $250 tax offset (a small reduction in the tax you pay), starting from the year ending 30 June 2028.

- ***$1,000 Instant Tax Deduction for Wage Earners & Sole Traders***
  - The budget proposes a $1,000 standard (instant) deduction will be available for individuals who earn employment labour income, starting from the income year ending 30 June 2027.
  - Wage earners can claim $1,000 against their employment income without needing receipts.
  - Taxpayers who have incurred more than $1,000 in work-related expenses can instead choose to claim their actual expenditure but will need to substantiate the expenses.

- ***Legislated Income Tax Cuts***
  - For the year ending 30 June 2027, the tax rate on income between $18,201 and $45,000 will reduce from 16% to 15%.
  - From 1 July 2027, the 15% tax rate will further reduce to 14%.

- ***Medicare Levy Low-Income Thresholds Increased***
  - From 1 July 2025, the income level at which you start paying the Medicare levy will increase. This means some lower income earners may pay less or no Medicare levy.

For Businesses and Employers

- ***Minimum 30% Tax on Discretionary Trust Distributions***
  - From 1 July 2028, income of discretionary (family) trusts will generally be taxed at a minimum rate of 30%.
  - This change is aimed at limiting the ability to distribute income to individuals with lower tax rates to receive a tax benefit.
  - Individuals will receive a tax credit for the tax already paid, but they will not receive a tax refund if their personal tax rate is lower than 30%. If their marginal tax rate is higher, they will need to pay top up tax.
  - Companies (corporate beneficiaries) who receive these distributions, will not receive this credit, which will result in double taxation at the company level.
  - Some trusts and income types are excluded from these rules including super funds, fixed trust, charities, and primary production income.
  - A limited 3 year window from 1 July 2027 will be available for businesses looking to restructure without triggering Capital Gains Tax.

- ***Permanent Instant Asset Write-off Threshold: $20,000***
  - Small businesses can immediately claim deductions for eligible assets costing up to $20,000 per asset. The budget announced that this threshold will now be permanent and legislated.

- ***Companies Eligible to Carry Back Tax Losses to Receive Tax Refund***
  - From 1 July 2026, eligible companies can apply current year losses against profits from the previous two years.
  - This allows businesses to receive a tax refund for tax previously paid.

- ***Optional Monthly PAYG Income Tax Instalments***
  - From 1 July 2027, businesses can choose to pay PAYG instalments monthly instead of quarterly, which may help with cash flow management.

For Investors

- ***Reforming Negative Gearing – Residential Property***
  - Currently, taxpayers who generate a tax loss from a rental property could typically offset the loss against their other income (including salary wages, capital gains) to reduce their overall taxable income.
  - Properties held on budget night will continue to be eligible to claim losses against other income.
  - The government has announced that negative gearing for residential property owners will be limited to new builds only from 1 July 2027.
  - For existing properties purchased after budget night, losses from existing properties will be available to offset other property income or gains and any unused

losses will be carried forward to use against property income or Capital Gains.

- ***Reforming Capital Gains Tax (CGT)***
  - Currently, if you sell a Capital Gains Tax asset held for more than 12 months, the CGT discount reduces the taxable Capital Gain by 50%.
  - The Government has proposed replacing this discount with an indexation system that adjusts the asset's cost for inflation,
  - These changes are expected to apply to all CGT assets, including to assets that were previously exempt if they were acquired prior to 20 September 1985, although investors in new residential properties may still have the option to use the current 50% discount method.
  - In addition to these changes, a minimum 30% tax rate will be payable on net capital gains.

RECENT CONFERENCE ANNOUNCEMENTS – ANTHONY ALBANESE & JIM CHALMERS

On Wednesday 18th June, following post-budget consultations, the government has released further details on its proposed tax reform package.

The following updates include:

- Income earned from all types of discretionary testamentary trusts will be exempt from the 30% minimum tax, provided they are established for genuine testamentary purposes.

- The four small business CGT concessions will remain, but the turnover threshold for the existing small business 50 per cent active asset CGT concession will increase from $2 million to $10 million.

- A consultation paper will be released on the design of a new Innovative Business CGT Concession that would provide a 50 per cent CGT discount to early-stage investors, including founders and employee share scheme participants of innovative start-up businesses.

**Please note this is a general summary only and does not cover all announcements in the budget. The measures announced are proposals and may change before becoming law. If you would like to understand how these changes may affect your situation, please contact our team at Green Taylor Partners.*

Payday Super – Final Countdown to 1 July 2026

Penny Fisher

By now, most employers are hopefully well aware of the upcoming Payday Super changes, with the new rules set to commence from 1 July 2026.

From this date, employers will be required to pay superannuation at the same time as wages, rather than on a quarterly basis.

Super contributions must be received by the employee's fund within 7 days of each payday, significantly tightening current deadlines.

What this means for you:

- More frequent super payments (aligned with each pay run)
- Reduced flexibility compared to quarterly payments
- Greater visibility (and scrutiny) of unpaid or late super

What you should be doing now to get ready:

- Review your payroll and accounting software (such as Xero, MYOB or Quickbooks) to ensure it can process super with every pay run
- Confirm the system used to process super payments and payment processes can meet the 7 day deadline
- Check employee super fund details are complete and up to date
- Align your payroll processes and approvals so super is paid at the same time as wages
- Review cashflow planning, as super will no longer be payable quarterly

The start date of 1 July 2026 is final, so now is the time to ensure your payroll systems and cashflow processes are ready for the change and remember we your accountants at GTP are here to help.

IMPORTANT:
The Small Business Super Clearing House will close from 30 June 2026, so any data, reports or information you require from this system should be accessed and saved before this date.

The 2026 Federal Budget Change to Trusts the Media Aren't Talking About

Rohan Brown

While most of the media focus around the 2026 Federal Budget has been on things like negative gearing and housing, one of the biggest changes has barely been mentioned at all — the taxation of discretionary trusts.

And if you're a small business owner or part of a family that uses a trust, this change could materially affect how your income is taxed in the future.

Introduction

One of the most significant outcomes of the 2026 Federal Budget isn't aimed at the so-called 'top end of town'. It is aimed squarely at structures that everyday mum-and-dad businesses rely on.

From 1 July 2028, discretionary trusts will be subject to a minimum 30% tax on taxable income, fundamentally changing how trust distributions are taxed.

What Was Announced

Under the measures announced in the 2026 Federal Budget:

- Discretionary trusts will pay a minimum of 30% tax on their taxable income
- That tax will be withheld by the trustee
- Beneficiaries will receive a non-refundable tax credit for the tax already paid by the trust

Why This Is a Big Deal for Individual Beneficiaries

Under the current system, a trust distribution to an individual is taxed at the individual's marginal tax rates, allowing access to the $18,200 tax-free threshold and currently a 16% tax rate on income up to $45,000.

Under the proposed rules, this benefit effectively disappears. Even beneficiaries with total taxable income below $45,000 will still bear an effective 30% tax on trust distributions.

Why Small Businesses Are Most Affected

Discretionary trusts are widely used by small businesses including trades, farming operations, professional practices, and family-run enterprises.

While paying wages instead of trust distributions may address the tax outcome, if your business does not already have employees it introduces real additional costs such as payroll software, payday superannuation compliance, Single Touch Payroll obligations, and WorkCover premiums.

The Investment Company Issue

A major concern with the proposed measures is how they apply where a company is a beneficiary of a trust, commonly referred to as 'Bucket' companies. Based on information released to date, companies do not appear to receive access to the non-refundable tax credit.

This creates the risk of double taxation and significantly undermines bucket company strategies commonly used to smooth income over multiple years and manage long-term family tax outcomes.

Another Common Structure Being Impacted

Many small businesses operate through a company, but where all shares are owned by a discretionary trust. This has historically been prudent tax and succession planning, allowing flexibility, family involvement, and long-term planning.

While companies may continue to declare franked dividends to the trust, distributions from the trust to family members appear to be subject to the same minimum 30% tax outcome — even where that income represents the operating profit of the business.

Practical Example

Consider a modest family business earning $120,000 through a Trust. Under current rules, the Trust could be distributed across family members on low marginal tax rates, or at the least between Mum and Dad, therefore they would each have taxable incomes of $60,000. Currently Tax on that before Medicare and other offsets would be $17,576 combined. Under the new measure that same profit would result in tax of $36,000, an increase of $18,424 in tax paid!

For a business operation we would strongly suggest wages be paid of at least $45,000 to each of Mum and Dad.

If the same profit is from Trust where all income is from investments there may not be the justification of wages.

Final Thoughts

Although these measures are not scheduled to commence until 1 July 2028 and further legislative details are still to be released, the implications for small business owners and families using trusts are significant.

This article is general information only and does not constitute tax advice.

Capital Gains Tax (CGT) – What You Need to Know (and What's Changing)

Ryan Schirmer

If you own investments like property, shares, or a business, understanding Capital Gains Tax (CGT) is critical—especially with major changes on the horizon.

WHAT IS CAPITAL GAINS TAX?

Capital Gains Tax (CGT) is the tax you pay on profits when you sell an asset.

- It applies to assets acquired after 19 September 1985
- Your capital gain is simply:
  Sale price (what you sell it for)
  minus
  Cost base (what you paid + associated costs)

  If the result is positive → you have a taxable capital gain
  If negative → you have a capital loss

DO YOU ALWAYS PAY TAX ON THE FULL GAIN?

Not always. There have historically been concessions to reduce your tax bill, depending on when you bought the asset and how long you held it.

The Two Main CGT Methods (Historically)

1. Indexation (Pre-1999 assets)

This older method adjusted your cost base for inflation so you were only taxed on the real gain.

- Only applies to assets acquired on or before 21 September 1999
- Adjusts the purchase cost using CPI This method is no longer available for newer assets.

2. The CGT Discount (Current system)

This is the most common method used today.

If you:

- hold an asset for more than 12 months, and
- are an eligible taxpayer (individual, trust, or super fund)

You may reduce your capital gain:

- 50% discount for individuals and trusts
- 33.33% discount for super funds

Example:
If you make a $100,000 gain, you may only pay tax on $50,000

HOW CGT IS TAXED

- Your net capital gain is added to your income
- It's taxed at your marginal tax rate
- Capital losses can't reduce other income—but can be carried forward

MAJOR CGT CHANGES COMING (FROM 1 JULY 2027)

The government has proposed significant reforms that will change how CGT works.

1. The 50% Discount is Being Replaced

From 1 July 2027:

- The current 50% CGT discount will be removed
- Instead, we return to a form of indexation

Meaning:

- You'll only be taxed on gains above inflation
- This is designed to tax the "real" gain only

2. A New Minimum 30% Tax Rate

A key change:

- A minimum tax rate of 30% will apply to capital gains

What this means:

- If your tax rate is below 30% → you still pay 30%
- If your rate is above 30% → you pay your normal rate

The 30% is a floor, not a cap

3. Existing Assets – How Will They Be Treated?

If you already own assets, the rules will split your gain into two periods:

Before 1 July 2027

- Existing rules apply (including the 50% discount)

After 1 July 2027

- New rules apply (indexation + 30% minimum tax)

In practice:

- You may need a valuation at 1 July 2027 to determine the split

4. What About Pre-1985 Assets?

Historically:

- Assets bought before 20 September 1985 were completely CGT-free

From 1 July 2027:

- Any future growth in those assets will become taxable
- Past gains remain tax-free

5. Special Rule for New Housing

To support housing supply:

- Investors in new residential property may choose between:
  - The old 50% discount, or
  - The new indexation method + minimum tax

WHAT THIS MEANS FOR YOU

These changes could significantly impact:

- Investment property owners
- Share investors
- Business owners
- Family groups and trusts

Key implications:

- The timing of asset sales will become more important
- Valuations at 1 July 2027 may be critical
- Tax outcomes could increase for lower-income taxpayers
- Long-term investment strategies may need review

FINAL THOUGHTS

Capital Gains Tax has always been complex—but the upcoming changes make planning even more important.

If you own, or are thinking about selling:

- Property
- Shares
- A business
- Or any investment asset

it's worth reviewing your position well before 1 July 2027.

Get 20% Back on Your Vehicle Rego — But Don't Miss the Window

Regina Chia

Good news for Victorian drivers: the State Government is offering a one-off 20% rebate on light vehicle registration, and it's a quick win worth claiming. Important: this rebate is for personal vehicles only — vehicles registered to a company or used for business aren't eligible.

If you paid your rego for the 2025–26 financial year (between 1 July 2025 and 30 June 2026), you can claim back 20% of what you paid — up to around $186 per vehicle. Have two cars in your name? That's up to $372 back in your pocket.

The key details

- What: 20% rebate on light vehicle (under 4.5 tonnes) registration for personal use only — cars, utes, motorbikes and similar registered in your own name.
- How much: Up to ~$186 per vehicle, for up to two vehicles registered in your name.
- Applications open: 1 June 2026.
- Deadline: 31 July 2026 — only a two-month window, so don't leave it too late.
- Payment: Made by direct bank transfer, most within 30 days of applying.

How to apply

Apply through Service Victoria (not VicRoads) via the app or website at https://www.service.vic.gov.au/rego-rebate.

You'll need a Service Victoria account, plus your registration number, name, Victorian driver licence or VicRoads customer number, and your bank details.

It only takes a few minutes — and it's money back you're entitled to. If you've got any questions about how this fits with your situation, feel free to get in touch.

GTP Anniversaries

June

6th - Kayla Richardson (15 Years)
30th - Rohan Brown (29 Years)

July

1st - Matt Richardson (30 Years)
1st - Jarrod Kemp (2 Years)
29th - Sally Hateley(24 years)

New AML/CTF Rules for Accountants – What It Means for You (From 1 July 2026)

Jess Sluggett

From 1 July 2026, new anti-money laundering (AML) and counter-terrorism financing (CTF) laws will apply to many accounting firms across Australia.

While this is primarily a compliance change for us as your adviser, you will notice some changes in how we work with you. This article explains what's happening and what it means in practical terms.

WHAT'S CHANGING?

The Australian Government is expanding its AML/CTF laws (known as "Tranche 2 reforms") to include professions like accountants, lawyers and real estate agents.

Previously, these rules mainly applied to banks and financial institutions. From July 2026, many accounting firms will also be regulated by AUSTRAC (the government financial intelligence agency).

These changes are designed to:
- Reduce fraud, tax evasion and financial crime
- Bring Australia in line with international standards
- Close gaps where advisers may unknowingly be used to move or disguise funds

WHY THIS MATTERS FOR YOUR BUSINESS

As your accountant, if we provide certain services (such as setting up companies or trusts, managing funds, or assisting with ASIC transactions), we must now follow strict compliance procedures.

This means you may be asked for additional information or documentation.

WHAT YOU CAN EXPECT TO CHANGE

More identity checks ('Know Your Client')

We will need to verify your identity and, in some cases, the identity of related parties (e.g. directors, shareholders or beneficiaries).

This may involve:
- Providing photo ID
- Confirming ownership structures
- Updating details periodically

Even long-standing clients may be required to complete this process.

Additional questions about your business activities

We may ask further questions to better understand:
- What your business does
- Where funds come from
- The purpose of certain transactions

These are part of our obligations to assess the risk of financial crime.

More documentation requests

Depending on the service, we may request documents such as:
- Contracts or transaction details
- Source of funds evidence
- Trust deeds or company records, if we don't already hold these

This is a standard requirement under the new laws.

Timing of work may be affected

Some services cannot commence until required checks are completed.

To avoid delays, we recommend:
- Responding promptly to information requests
- Providing complete documentation upfront

Ongoing monitoring (in some cases)

For certain engagements, we may be required to:
- Periodically update your information
- Review transactions or changes in your structure

WHAT WON'T CHANGE

Importantly:
- Our role as your trusted adviser remains the same
- Your information remains confidential and secure
- We will only request what is required under law

WHY THIS IS ULTIMATELY A GOOD THING

While these changes will add some extra steps, they are aimed at:
- Protecting legitimate businesses like yours

- Strengthening the integrity of Australia's financial system
- Reducing fraud and misuse of business structures

In short, it helps ensure a fairer and safer business environment for everyone.

WHAT YOU NEED TO DO NOW

There's nothing you need to action immediately, but over the coming months you can:

- Expect some new onboarding or update requests
- Ensure your business records and ID documents are readily available
- Let us know of any changes to your structure or ownership

WE'RE HERE TO HELP

We understand these changes may feel like "more paperwork", particularly for long-term clients.

Our goal is to make this process as smooth and practical as possible while meeting our legal obligations.

If you have any questions about how these changes apply to your business, please feel free to get in touch.

GTP Birthdays

June
16th - Sally Hateley

July
5th - Kathryn Hamilton
20th - Jarrod Kemp

August
5th - Regina Chia
10th - Rohan Brown

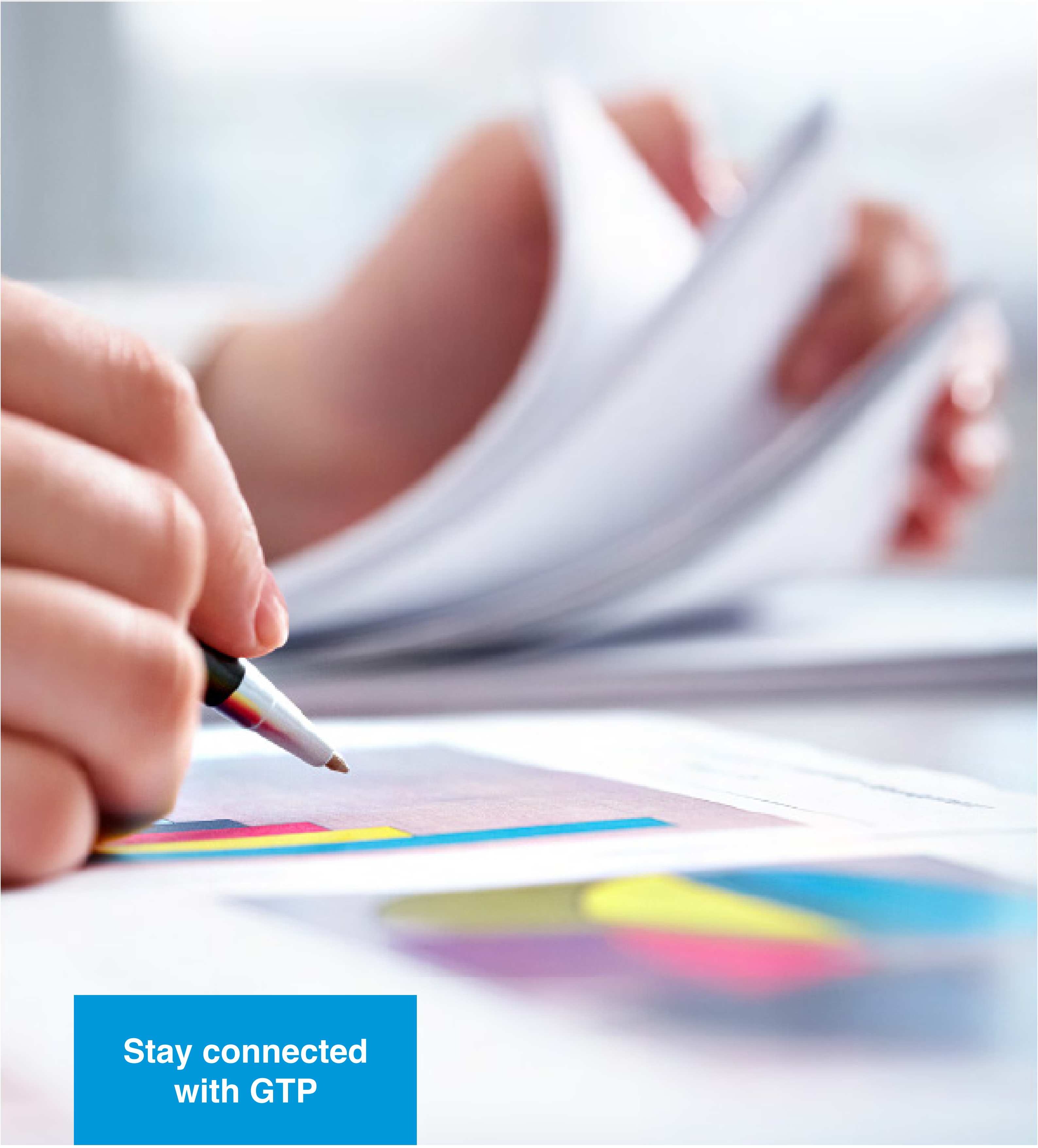
How our Administration team can assist, You, our clients in a timely manner...

At Green Taylor Partners, we as a collective aim to ensure client satisfaction is met. Many of our clients are inclined to get in touch with their accountant directly, but in most cases one of our Administration team members can help you with your query.

Such queries in relation to the following, but not limited to:

- Notice of Assessments
- ATO queries
- Emailing completed Tax Returns, Financials, BAS' etc.
- Outstanding invoices
- Making and changing appointments
- Company statements & ASIC obligations
- Advising of TFNs, ABNs and other registrations and many other queries.

Although our accountants put a lot of effort into ensuring that their clients are satisfied, sometimes they are tied up in meetings and can't take your call. So please feel free to ask one of our Admin Team members so they can assist you to obtain the information or documents you're after in a timely manner. If not, our Administration team will seek advice or further instruction from the accounting team and get back to you.



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