

No, we didn't disappear! It seems (and it's not just me), the clients of freelancers didn't get the memo about the economic crisis. While those with 'proper' jobs have had their wages reduced or lost jobs completely, almost every creative freelancer I know has been flat out. I suppose someone still has to do the work! I know I've been so busy I've had to buy the family new underwear because I haven't had time to catch up on my washing! A very sorry state of affairs. This month we welcome back both the workshop and The Sandpit, and we have an article about the much-publicised 50% tax break for business. Yes, you can take advantage of it too! There's also our updated website and so much more. Until next time, have a fabulous June and, as usual, happy freelancing!

Monica



Freelance F A Qs

*Dear Monica,
My accountant and I are fighting over whether or not I'm an 'artist' for tax purposes. I dance and teach. Why the fuss?* Pam

Your accountant is being fussy for a reason. If you are defined as an 'artist' by the ATO then you can qualify for a few specific concessions, including what's called non-commercial loss from the arts. This means that if your creative work runs at a loss and you still have some employee income, you can claim that loss as a deduction in your annual PAYG tax return (which you can't do for other kinds of business). The ATO are vague about what an 'artist' is, but it includes authors, performers and production associates as well. I usually define it as those of us who create artistic copyright. If you're not sure, ask the ATO on 13 28 66, or see www.ato.gov.au.

Fancy an answer? Email faq@freelancesuccess.com.au and we'll get back to you!

Feature Article: The 50% Tax Break for Biz

If you qualify as a small business you are eligible to take advantage of this fabulous new scheme created by the federal government. It allows some businesses to take a 50% tax deduction on some items costing over \$1000.

Firstly, the ATO considers you to be a small business if you have an ABN and conduct your creative work with a commercial purpose. In other words, you aim to make money from your craft, which separates you from just being a hobbyist.

Next, your turnover needs to be less than \$2 million per year (not a big ask). Turnover is the total amount of money your business earned in a financial year, before you take out any deductions or taxes.

If this is you, then you'll have two kinds of purchases for the business. The first will be items that cost less than \$1000 each. Those things can be deducted straight away from your tax without having to depreciate, as long as they are used only for business. Usually we'd call these non-capital purchases.

If you have purchases for the business that cost more than \$1000, then this is where the tax break takes effect. These are called capital expenses, and the things you buy must be 'tangible' assets (a somewhat vague meaning). This can include computers, cars, office furniture, and other kinds of equipment such as cameras, as long as they cost more than \$1000. Software is not considered to be 'tangible' so the tax break doesn't apply.

You can claim the first 50% of your costs on these tangible things straight away on your next tax return. You then need to depreciate the rest. For example, if you buy a new computer that costs \$3500, and it's used solely for business, you can claim half (or \$1750) straight away. The remaining \$1750 needs to be depreciated, usually over a period of five years.

The tax break applies to any purchases meeting this criteria that you buy between December 2008 and December 2009.

It's a little complicated if you're not sure whether or not you are a business. If you need more information, call the ATO on 13 28 66 or visit the website at www.ato.gov.au/business.

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The Freelance Success Newsletter

What's Up Freelance Success?

◆ The full three day workshop is back for those of you based in Sydney...

Three days is all you need to acquire the tools that will help you find that freelancing pot of gold, the strong and dependable income from your craft. A big claim, but it's true!

When? 3 Saturdays, starting on Saturday 27th June and finishing Saturday 11th July 2009.

Time? 9am to 5pm each day.

Where? Mechanics School of Arts, Pitt Street Sydney.

Cost? \$330 full or \$275 conc.

The workshop covers everything, from setting up, handling money, tax, law and marketing. With several enrolments already you might want to jump right in there! For more information please visit www.freelancesuccess.com.au/workshop or call the office during business hours on 02 9559 1901.

◆ The Sandpit continues in Canberra and starts again in Sydney...

The Canberra Sandpit has been going off! Well done Kath for starting this non-networking night and keeping it humming. We've been a bit slack in Sydney but it's starting up again next week so please come along! The Sandpit is all about having fun and making like-minded friends. No wankers allowed. Even better, it's **free!** No need to RSVP, and bring your mates. If you'd like info on either Sandpit visit the web www.freelancesuccess.com.au/thesandpit or call the office on 02 9559 1901. Want to start your own? Get in touch now!

◆ Remember the website is always changing...

With new events, articles and lots more added each month. Why not check it out and stay current www.freelancesuccess.com.au

Next mailout... Friday 10th July 09

freelance success

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