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## **CLIENT NEWSLETTER**

23 June 2008

### **DEDUCTIONS FOR FBT-EXEMPT WORK-RELATED ITEMS**

The FBT exemption for work-related items (such as laptops, personal digital assistants and tools of trade) purchased after 7.30 pm on 13 May 2008 will only be available where the items are used primarily for work purposes and will be limited to one item of each type per employee per year. In addition, employees will be denied depreciation deductions for the work-related percentage of FBT exempt items.

Under the previous rules, employees were able to gain a "double deduction" benefit by obtaining an FBT-exempt item from their pre-tax income, and also claiming a deduction for depreciation.

For FBT-exempt items purchased prior to 7.30 pm on 13 May 2008, employees will be denied depreciation deductions for the 2008/09 and later income years.

Please contact us if you have any queries.

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### **What is "OBM"? Open Book Management**

The success of OBM is evident. Because OBM gets team members to feel, think and act like business owners, everybody is working towards improving the efficiency and effectiveness of the business – and therefore the financial results.

*This Newsletter, of necessity, has dealt with matters of a technical nature in general terms only. Clients should contact us for detailed information on any of the items in the Newsletter. No responsibility for loss occasioned to any person acting or refraining from acting in reliance upon any material in this Newsletter can be accepted by any member of the firm.*