

If you're not claiming your Exponential Programs product/service investment as a personal education expense, you could be throwing up to 17.5% out the window!

The rules for personal allowable deductions for educational expense provisions are explained below to make sure you optimise your tax and financial planning.



About the Author

Dr Marc R Dussault is an award-winning author, recipient of several marketing awards as well as a finalist for an Entrepreneur of the Year Award, a serial entrepreneur and accomplished business executive. Founder of numerous successful businesses, Dr Dussault has experience in a wide variety of industries and geographic regions including North America, Europe, Australia and Asia Pacific. Dr Dussault has been a public company CEO and director, as well as business development manager of a global IT software company.

A Fellow of the Australian Institute of Management, Dr Dussault is also the recipient of the highly acclaimed Company Directors Course Diploma 2005 bestowed upon him by the highly respected Australian Institute of Company Directors.

Combining a unique blend of academic excellence in engineering, business and law with an entrepreneurial flair and breadth of experience acquired over the past 25 years, Dr Dussault has consulted to hundreds of entrepreneurial companies as an exponential growth strategist to assist business owners to unshackle themselves from the day-to-day operations of their companies, catapult their success and achieve personal and financial freedom.

We value your investment in Exponential Programs products and services because we know you worked hard to make the investments you've made or plan to make to grow your business exponentially. We want to help you by reducing the net cost by up to 17.5% by explaining the tax code provisions that are available to you - provisions you may not be aware of.

Even though I have a post graduate degree in Law with a specialisation in tax, financial planning and superannuation, I am not an accredited tax practitioner, but lucky for you, one of our VIP Members, Gary Tumminello, founder and managing director of GTax Accounting is!

GTax Accounting is Sydney's only accounting, bookkeeping and tax specialists **that make friendly house calls** to proactively make sure you meet all ATO requirements **by correctly and quickly filing for GST and BAS** via a team of experts that **remain updated with legislation on a weekly basis** to **reduce your tax to the max**, increase and **protect your hard-earned wealth** to give you **peace of mind** so you can start to **enjoy life again**.

Gary has a Bachelor's Degree in Tax from the UNSW with 13 years experience in taxation and accounting. Whilst he has continued his professional education through specialized courses offered by the professional associations CPA Australia and the National Institute of Accountants, Gary has been a Member of the Taxation Institute of Australia since 1999.

Previous to his focus on taxation, Gary was a factory manager for 15 years, and has qualifications in production engineering and management, **so he knows what it's like on the factory/shop floor**.

In addition to practical experience, Gary personally invests directly in the stock market, residential and commercial properties, Exchange Traded Options, Contracts For Difference (CFDs), Futures as well as overseas mutual funds. As such, he is a sophisticated investor who knows what structures to use and what reporting requirements are necessary for each.

With this specialized knowledge, he is a great resource to help you as he has done since 1998 for 94 companies, 22 Trusts and 11 Self-Managed Super Funds and 1,076 individuals and 31 Partnerships.

He's 'seen it all' as they say - so you can avoid the most common pitfalls that many people don't even know they are making, often only when it's too late.

Little mistakes.

Like claiming your investments in Exponential Programs products and services as a corporate deduction at the corporate marginal tax rate of 30% when you might be able to claim it as a personal deduction, getting an additional 17.5% tax benefit as a high income earner.

It might only be a few hundred dollars, but Gary knows it all adds up at the end of the year.

Sometimes it's enough to pay for that vacation with the kids you've been putting off.

Don't take my word for it, Marie Claire P of Ettalong Beach House Bed and Breakfast explains. "Not having to waste my valuable time on BAS paperwork, entering data saves me over 8 hours of paperwork each quarter, and being reminded of the upcoming lodgement dates takes some of the stress out of being a small business owner. That you [gary] go out of your way to come to my place at a time that suits me, to conduct my tax interview. All this for a fee that brings a smile to my face, and that all-important bottom line."

All this makes Gary highly qualified, accessible and focused on serving you in a tax preparation and advisory capacity in a flexible and friendly manner.

You can call Gary on 02 9988 6677 or via e-mail on gary@gtax.com.au

Now that you're comfortable with Gary's expertise and knowledge, let's get to the reason we wrote this article!

Question:

How do you know if you can include your Exponential Programs product or service investment as a personal educational expense?

Answer:

If the expense helps to enable you to better discharge your existing duties, or increase your business' income, then s8-1 of the Income Tax Assessment Act (1997) - ITAA97 allows self-education expense as a tax deduction.

Also, Taxation Ruling 98/9 indicates that it's not just the tuition fees that are deductible, but also some associated costs such as travel, and interest on money borrowed to pay for the courses. It just needs to have a necessary connection to the production of your assessable income. **BEWARE:** It can't be something that will open up new income earning activity or create new employment.*

Now, usually the first \$250 of a self-education expense is NOT deductible (see ITAA36 s82A), however the courses supplied by Exponential Programs are exempt from this since they are not a "prescribed course of education" but rather a work related series of seminars, conference calls, workshops and/or products.

If you want to further reduce the cost, make sure you are registered for GST and claim the input credits against your GST liabilities, reducing the cost by another 10%.

If you have any questions, please give Gary a call on (02) 9988 6677 or via e-mail at gary@gtax.com.au

This article covers the general provisions, but specific advice is probably necessary. The material in this article is of the nature of a general comment only, and neither purports nor intends to give any specific accounting, legal, tax, or investment advice.

We wrote this article to highlight something you might not know about – often it's the little details that get in the way of the results (profits) we want to create.

For example:

Have you got your financial affairs up to date?
Including your tax returns and Business Activity
Statements?

Did you know the ATO is now enforcing business reporting compliance activities, and fines are being issued for late lodgements?

GTax Accounting can help.

You can't and don't want to be a tax specialist, but you also don't want to miss out on new legislative changes that could save you thousands of dollars.

For its privileged clients, GTax Accounting sends out a technical update every month to ensure you get the full benefit of changes that occur in the complex and overwhelming tax regime.

This update doesn't need to come to you, it can be sent to your internal clerk, controller or bookkeeper. Log onto www.gtax.com.au to access one FREE sample as Gary's gift to you.

Don't forget - this is probably of more interest to your bookkeeper, controller or accountant, make sure they know about it.

For example, GTax clients know that:

A recent change in the tax legislation now allows some small businesses to reduce their tax bill by 25%? [Section 61-500 ITAA 1997]. **Find out if you qualify by asking three simple questions.**

The Simplified Tax System introduced by the Australian Taxation Office allows small businesses to claim an outright deduction for tools costing less than \$1,000? [Section 328-180 ITAA 1997]. **Do you know what tools are eligible for your industry?** [Section 8-1 ITAA 1997].

If a business prepays an expense it can claim a tax deduction in the year it was paid, so long as the service is provided within 13 months of payment. [Taxation Ruling 94/25]. **By getting the tax refund sooner, it helps 'pay' for the expense, immediately improving your cash flow.**

Would you like to know how you can benefit from NOT having to keep up-to-date with legislative changes?

Call GTax Accounting on (02) 9948 9428 for an expert consultative discussion
- it won't cost you a cent.

Exponential Programs is committed to help you grow your business leveraging Exponential Programs, the World's #1 Marketing Growth Strategist, to immediately increase your cash flow by uncovering multiple streams of income within your business to double your sales, triple your profits and cut your marketing costs in half and get you home in time for dinner every night.

Sometimes that means giving you information such as this advice from one of its VIP Members, Gary Tumminello.

I hope you'll use it to save more of your hard-earned profits!



Gary Tumminello

GTax Accounting

Co-author:

Gary Tumminello

GTax Accounting
Shop 4/343-345 Sydney Rd
Balgowlah NSW 2093

Email: info@gtax.com.au

Web: www.gtax.com.au

Phone: 02 9948 9428



In this article, we leveraged several Exponential Marketing Strategies...
How many did you notice?

**Stop here and go back and try to list as many as you can, then tick them off below
to see how you stack up...!**

We:

- Leveraged a hidden asset – Gary Tuminello’s expertise and knowledge about taxation.
- Informed and educated you with NO sales pitch whatsoever.
- Created value by giving you FREE advice that would otherwise cost you \$100 to \$500 and could be worth \$100 to \$2,000 (or more for VIP Members).
- “Make it easier to do business with us” by explaining complex taxation issues to save you money and giving you the SOURCE of that information to avoid you wasting valuable time searching for additional details.
- Included several calls to action (Call me or Gary, get a sample of his newsletter update, e-mail, etc.)
- Gave you several options to self-select into the process WITHOUT selling you anything – (a) you can use the information on your own, (b) you can forward the information to your accountant/bookkeeper, (c) you register for a free sample of Gary’s update Newsletter, (d) you can have your bookkeeper register... Whatever suits you, or (e) you can do nothing except read the article and confirm you’ve done all the right things!
- We’ve reduced your **cognitive dissonance**†, by reaffirming our commitment to helping you grow your business which INCLUDES saving you money.
- Re-affirmed my pre-eminence since you may not have known that I have a law degree in addition to my Engineering degree and MBA – there I go again – sorry, I couldn’t resist!
- Established Gary’ pre-eminence. If you are not a VIP Member, you would not necessarily know him.
- Leveraged one of several of Gary’s testimonials which endorse him and setup his USP.

- Used our and GTax’s USP in the context of summarising what each company does so you are reminded of what makes us Unique, what we are Selling and HOW we tailor our value Proposition.
- Created reciprocity by offering you this information with no strings attached – with no expectation of a reward other than acknowledgment that it took us (Gary and me) about 6 hours of our direct involvement to prepare this article. Then we asked our VIP Members to critique it to ensure it was optimised, incorporating no less than 14 amendments to improve the clarity of the message.
- I just used another Exponential Marketing Strategy by explaining to you the investment that went into this document, highlighting it so you can appreciate and value the commitment we’ve made. To not do this lessens the value AND your assessment of what Gary and I went through.
- Used a headline and sub-headline to link the headline to the article, we explained the value proposition of the article UP FRONT to capture your interest and desire to keep reading...
- Made it easy for you to ‘do business with us’ by putting our contact information visibly in multiple places.

Total Exponential Marketing Strategies = 15

Your Total: _____

So how did you stack up? Did you come up with 3, 4 or more than 5 strategies? Did you find any that I didn’t mention? For example we created a host-beneficiary partnership with Gtax to prepare this and the next article. You get 2 bonus points for that one!

* For example a medical practitioner was denied study expenses related to dermatology. Even though the expense was to further his medical knowledge, it was considered the study was to opening up a new income earning activity (TR98/9).

† **Cognitive dissonance** is a psychological term which describes the uncomfortable tension that comes from holding two conflicting thoughts at the same time. More precisely, it is the perception of incompatibility between two cognitions, where "cognition" is defined as any element of knowledge, including attitude, emotion, belief, or behavior. It's commonly referred to as 'buyers remorse'!

The theory of cognitive dissonance states that contradicting cognitions serve as a driving force that compels the mind to acquire or invent new thoughts or beliefs, or to modify existing beliefs, so as to reduce the amount of dissonance (conflict) between cognitions. The introduction of a new cognition that is dissonant with a currently held cognition creates a state of "dissonance," the magnitude of which relates to the relative importance of the involved cognitions. Dissonance can be reduced either by eliminating dissonant cognitions, or by adding new consonant cognitions. The maximum possible dissonance is equal to the resistance to change of the less resistant cognition; therefore, once dissonance reaches a level that overcomes the resistance of one of the cognitions involved, that cognition will be changed or eliminated, and dissonance will be reduced.

This leads some people who feel dissonance to seek information that will reduce dissonance and avoid information that will increase dissonance. People who are involuntarily exposed to information that increases dissonance are likely to discount that information, either by ignoring it, misinterpreting it, or denying it.

Translation: In the Exponential Marketing Mastermind VIP Program we explore distinctions like this to reveal that if you ignore the cognitive dissonance, you could be losing up to 33% of the sales that were closed or increase new sales by as much as 10% to 15% by doing one simple thing...

One simple thing most people never do.

