

One of Brisbane's largest suburban accountants has urged business owners who use a family trust to talk to their accountant today.

Mr Greco said the Australian taxation Office (ATO) had imposed a new deadline. "Make sure you prepare a 'minute' today or risk paying tax at 46.5% on all your family trust income", he warned.

"In the past accountants would usually prepare a minute to allocate the family trust's income and the ATO would not ask to see the minute. However this year the ATO may ask to see this minute and how the income is to be distributed", he explained. Without this minute the ATO can charge 46.5% tax on all the trust's income.

The way the family trust deeds are written it does require the distribution of the income to be minuted before 30 June each year. The problem being, it is difficult to work out how much the income will be and decide who should get the income before the end of the financial year.

It is also a good opportunity to review your trust deed to make sure it caters for some recent court decisions that all for certain types of income (dividends and capital gains) to be allocated or streamed to beneficiaries.