

124 Waymouth Street, Adelaide, South Australia, 5000
GPO Box 2066, Adelaide, South Australia, 5001, DX 333
Phone 08 8229 0200 • Fax 08 8231 1929
Email email@lawsocietysa.asn.au • www.lawsocietysa.asn.au

20 February 2014

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Manager
Not-for-profit and Industry Tax Concession Unit
Small Business Tax Division
The Treasury
Langton Crescent
PARKES ACT 2600

and via email: FMDs@treasury.gov.au

Dear Sir or Madam

## **Amendments to the Farm Management Deposits Scheme**

I refer to an announcement of 12 February 2014 releasing an exposure draft of amendments to be made to the Farm Management Deposits Scheme, and the accompanying explanatory material.

The exposure draft legislation proposes to:

- increase the off-farm income threshold from \$65,000 to \$100,000, allowing primary producers to earn more income from non-primary production sources in an income year before being prevented from making new FMDs; and
- facilitate the consolidation of FMDs, by eliminating the tax consequences of withdrawing and immediately redepositing FMDs.

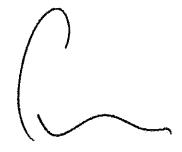
The Society's Country Practitioners Committee and Commercial Law Committee support the changes to the Farm Management Deposit Scheme proposed by the Federal Government.

The proposed changes will serve to ease the financial burden on Primary Producers which will be of immediate benefit to them, but will as a consequence also benefit rural

communities generally. A reasonable tax measure that assists Primary Producers to remain viable is a good thing.

I trust these comments are of assistance.

Yours sincerely



Morry Bailes

**PRESIDENT** 

Email: President@lawsocietysa.asn.au

Tel: 8229 0227