

## TAX PLANNING PRE 30 JUNE

It's that time of year to consider what options you may have to reduce your taxable income. Here are some ideas for businesses..... and don't forget to check out the planning opportunities for individuals

### Business

- Write off any 'bad' debts before 30 June.
- Review trading stock for obsolescence. Ensure a stock take is completed for 30 June 2018.
- Log books – ensure you have a current log book (completed within last five years)
- If you are a small business with turnover of less than \$2 million, you may consider prepaying some expenses. Common expenses which you may be able to prepay include rent, interest on borrowings, memberships, subscriptions and insurance.
- Consider delaying some invoicing until 1 July if cash flow allows.
- Bring forward deductions into the 2018 year. It may be that you stock up on stationery, get repairs and maintenance jobs attended to or send staff off to professional development sessions.
- Ensure you pay the Superannuation

Guarantee Charge (SGC) on behalf of your staff before 30 June in order to get a deduction for it. SGC is only deductible to the employer if it is actually paid and received by the superannuation fund by 30 June.

- Review your fixed asset schedule for assets that can be scrapped.
- Small business entities should consider the \$20,000 instant asset write off.
- Children's wages – have your children worked in your business. If they have, ensure you have formalised the arrangement (TFN declaration etc) and kept proper records of their work. And then pay them. Genuine wages to children are taxed at ordinary tax rates.
- Make extra contributions to Super – for the 2017/2018 year the maximum concessional contribution limits are:

Age at 1 July 2017	\$
All Individuals	\$25,000

### Personal

It is not just businesses that need to consider opportunities to better their tax position. Here are some ideas for individuals:

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## Home Office deductions

- Office equipment, such as computers, printers and telephones, the cost or decline in value
- Work-related phone calls, phone rental if you can show you are on call, or have to phone your employer or clients regularly while you are away from your workplace
- Heating, cooling and lighting
- Cleaning expenses

To claim a deduction for the electricity and gas you use and the decline in value of your office furniture, you can claim either of the following:

- a deduction for your actual expenses
- a deduction you work out at a rate of 45 cents per hour. To use the 45 cents per hour method of claiming, keep a diary to record the amount of time you use your home office for work purposes.

## Motor Vehicle

Motor vehicle claims – if you use your vehicle for business purposes then the two methods of claim are:

- Cents per kilometres – simply keep track of the number of kilometres you travel for business purposes; or
- Log book method – log book lasts for 5 years and needs to be kept for a 12 week period. If yours is out of date, ensure you start a new one prior to 30 June 2018.

## Other

- Make a spouse contribution. A spouse superannuation contribution allows you to make a non-concessional (after-tax) contribution into your spouse's super fund. By doing so, you may be able to claim a tax offset of up to 18% of the contribution, up to a maximum of \$3,000 (\$540 maximum rebate where spouse's income is below \$40,000). Conditions apply so please contact us to discuss
- Gifts and donations to organisations that have the status of deductible gift recipients (DGRs).
- Uniforms - Buying and cleaning occupation-specific clothing, protective clothing and unique distinctive uniforms (registered).
- Tools, equipment or other assets to help earn your income.
- Airport lounge membership: Deductions to the extent used for work-related purposes.
- Briefcase: If used for work and/or business purposes the cost is fully deductible if \$300 or less.
- Calculators and electronic organisers: If used for work and/or business purposes
- Computers and software: Extent used for work/business purposes
- Conferences, seminars and training

courses

- Income protection insurance
- Parking fees and tolls: Including road tolls (but not fines) paid while travelling for work related purposes.
- Professional association fees
- Professional library (books, CDs, videos)
- Protective equipment Includes harnesses, goggles, safety glasses, breathing masks, helmets, boots. Claims for sunscreens, sunglasses and wet weather gear allowed if used to provide protection from natural environment
- Repairs (income producing property/or work-related equipment)
- Self-education costs: Claims for fees, books, travel and equipment etc. if there is a direct connection between the course and your income earning activities. Seminars Including conference and training courses if sufficiently connected to work activities.
- Stationery (diaries, log books etc.)
- Subscriptions & publications with a direct connection between publication and income earned.
- Tax agent fees.
- Travel and accommodation expenses if for travel to a tax agent or other recognised tax adviser to obtain tax advice.
- Telephones and other telecommunications equipment (Including mobiles, pagers and beepers.)
- Cost of telephone calls (related to work).
- Travel expenses Including public transport, motor vehicles and motor cycles, fares, accommodation, meals and incidentals in relation to work

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