

YEAR END TAX PLANNING

With the end of financial year only two weeks away, now is the time to implement tax saving strategies to reduce your 2017 tax liability.

Matters you need to consider before 30 June include:

Individual Taxation

- Paying work related expenses including subscriptions, protective clothing, footwear, sunglasses, airfares, accommodation, course fees, union fees and stationery;
- Purchasing home office and work assets including desks, briefcases, chairs, cabinets, tablets and printers which cost less than \$300;
- Making gifts and donations;
- Prepaying interest on any rental property or investment loans;
- Undertaking repairs on rental property;
- Selling any loss-making investments if a capital gain has been made in the current year;
- Travelling to your rental property one last time before this deduction is removed from 1 July 2017;
- Making a personal superannuation contribution to take advantage of the co-contribution scheme;
- Self-employed and other eligible persons contributing into superannuation to obtain a personal tax deduction of up to \$35,000 if over 50 or \$30,000 if under 50;
- Making superannuation contributions before 30 June to take advantage of the higher contributions caps.

Small Business Entity Taxation

Minimising business income by:

- Delaying the receipt of your business income until after 30 June as this will defer the tax payable on this income for another year;

- For cash-based taxpayers, the business needs to delay receiving income until after 30 June and for accrual based taxpayers, the business need to delay invoicing until after 30 June.

Maximising business expenses by:

- For cash-based taxpayers, paying expenses before 25 June to ensure the payment has been made before 30 June;
- Purchasing depreciable assets for immediate write-off that cost less than \$20,000 (\$22,000 for GST registered businesses) eg. motor vehicles, solar panels, machinery and equipment. These assets can be new or second hand and applies to each separately identifiable asset. Please note that the write-off has also been extended for another 12 months until 30 June 2018;
- Prepaying expenses for the next 12 months before 30 June, including rent, accounting, electricity and advertising;
- Paying July accounts for materials and contractors before 30 June;
- Paying employees' Super Guarantee payments before 30 June;
- Writing off bad debts and obsolete depreciable assets;
- Repairing or maintaining business assets.

Restructuring your business to access the lower 27.5% company tax rate or distributing income to low income beneficiaries through trusts should also be considered where possible.

If you require any further information on the above or other year-end planning please call Enright Holmes Chartered Accountants today on 6686 4744 or visit our website at www.ehaccountants.com.au for more information on our practice and the services we offer.



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