

YEAR END TAX PLANNING

FROM DFK AUSTRALIA NEW ZEALAND

Take actions on these essential steps before June 30 to take full advantage of concessions available to you and your business.



Capital losses

Selling poor performing assets may enable you to bring forward a tax loss that can be offset against any capital gains made throughout the financial year.

Timing of income

Consider the timing of the derivation of income. Generally business income is recognised on an accruals basis whilst passive income is recognised on a cash basis.



Write-off bad debts

To obtain a bad debt deduction, a debt must not be merely doubtful and must be written off as bad during the year of income in which the deduction is claimed. The debt must have been previously included as assessable income.

Trust resolutions

Trustees are required to make trust resolutions before 30 June in relation to how trust income will be distributed among beneficiaries.



Prepaid expenses

For small business, you can bring forward operating expenses, such as rent, insurance, repairs and office supplies that cover a period of no more than 12 months.

Superannuation strategies

Review your super strategies before year end to maximise your contribution caps, roll-over capital gains and review your eligibility for the spouse contribution tax offset and government co-contributions.



Write off obsolete inventory

Slow moving, damaged and obsolete stock must be written off prior to 30 June to claim a tax deduction.

Claim self-education expenses

Self-education expenses, such as course fees, textbooks, stationary, etc. are tax deductible if your study is work-related or if you receive a taxable bonded scholarship.



Employer super contributions

Employers must pay all superannuation guarantee contributions for employees before 30 June to receive a tax deduction in 2017.

PAYG income tax instalments

Small businesses should review their PAYG income tax instalments and notify the ATO if expected profit will be higher or lower than previous financial years.



Home office expenses

Individuals operating businesses from home may be entitled to claim deductions for a number of expenses including room utilities, business phone costs, occupancy and motor vehicle expenses.

CGT roll-over relief

After 1 July 2016, small business owners have greater flexibility in changing the legal structure of their business. Small businesses can defer gains or losses that would otherwise be realised when business assets are transferred from one entity to another.



CONGRATULATIONS – THAT’S PROACTIVE TAX PLANNING!



IF YOU'D LIKE A DEEPER LEVEL OF ASSISTANCE, CONTACT US FOR EXPERT ADVICE.



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