



Complete Commerce

Completing your business picture.

TAX TIPS 2019



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It is June again (how did that happen?) and the end of another financial year. Following are a few tips from us that may help you with your year end tax planning. There are only a couple of weeks left so act now if these tips suit your circumstances.

IT'S ALL ABOUT TIMING

You can pay for some expenses now and get the benefit of the deduction in the current financial year instead of waiting until the new year. Expenses such as insurance, interest and professional subscriptions that don't cover a time period of more than 12 months can be paid in advance.

On the other side of the ledger, can you delay invoicing some clients until the new financial year? This means that the income is pushed into the next financial year and tax on it isn't payable for another 12 months.



PURCHASE ASSETS AND POTENTIALLY CLAIM THE FULL AMOUNT IMMEDIATELY

Are you a business whose turnover is less than \$50 million? If you answered yes, you are entitled to an immediate tax deduction for any asset you purchase that is 100% used in business and that is less than \$30,000 in cost. As Tony Barber used to say, let's go shopping! If your business needs new assets or to upgrade an old one then why not purchase them before 30 June to claim an immediate tax deduction. New assets such as computers, tools of trade or a vehicle can help improve productivity and efficiency in your business. However we always advise that you should only spend money on something if you genuinely need (or really really want) an item. Never spend on something you don't need just to improve your tax position. Please also note that the asset must be on hand and ready to use by 30 June 2019 and most importantly this is a tax deduction not a cash rebate from the government.



SUPERANNUATION

If you are an employer, superannuation is deductible in the year that the contributions are received by the employees' superannuation funds. If possible, pay your employee's superannuation prior to 30 June 2019 to ensure that the business receives the tax deduction this year. Employers should also be aware a number of industry funds may close superannuation contributions prior to 30 June.

Employees can also now make contributions from after tax dollars and claim a tax deduction. Employees are now able to make super contributions of up to \$25,000 – this amount is inclusive of any contributions made by the employer. You will need to ensure you complete and keep the relevant documentation to be able to claim a deduction in your personal tax return.



TAKE STOCK AND ASSESS YOUR DEBTS

STOCK—Businesses that own stock should ensure a stocktake is completed at 30 June. Stock can be valued at cost, market value or replacement value – whichever is most beneficial. The different valuations can make a significant difference.

BAD DEBTS—All businesses should review their debtors list prior to 30 June 2019. Any debts that are not able to be recovered should be written off.



DONATE TO CHARITY

If you have causes close to your heart, now is the time to make a tax deductible donation to support a charity. Whether it's raising money for sick children, rescuing animals, helping the elderly or funding research, making a donation before 30 June 2019 gives you a tax deduction and a good feeling. Make sure that your donation is over \$2.00 and is to a gift deductible recipient. You will find the list of charities with gift deductible status at www.abr.business.gov.au/Tools/DgrListing.



CONSIDER A STRUCTURE

Having the correct structure for running your business or holding your assets is very important and something we always consider for clients. However, is it time to review your situation and reconsider a Self-Managed Superannuation Fund or an investment trust for excess funds that you have?

RENTAL PROPERTY DEPRECIATION

If you own a rental property, have you purchased a depreciation schedule to maximise your deductions? A professional depreciation expert will assess your property for any eligible deductions on plant and equipment in the property. They will also evaluate the property for any capital deductions available on the cost of the building. The cost of purchasing the schedule is also tax deductible. If you are interested in arranging a schedule please contact us and we can refer you to a specialist.

