

Reducing your Business Tax

WAYS TO REDUCE YOUR BUSINESS TAX

1. Employee Superannuation Payments—9.5% SGC

To claim a tax deduction in the current financial year, you need to ensure that your employee superannuation payments have CLEARED your business bank account by 30th June. For last minute superannuation payments, we recommend that you arrange for a bank cheque made payable to the employee super fund prior to 30th June. This ensures your payment has actually cleared your bank account prior to 30th June, and will allow you to claim a full tax deduction in the current financial year.

2. Concessional Superannuation Caps

The concessional superannuation caps for 2016/2017 financial year:

Under Age 49 – \$30,000 Age 49 Plus – \$35,000

Note that the employer SGC 9.5% contributions are also included in these cap limits. Do NOT exceed these limits. Contribution amounts exceeding the limits are included as taxable income, taxed at marginal tax rate plus an excess concessional contributions charge.

3. Defer Income

Where possible, defer issuing further invoices and/or receive cash until after 30th June.

4. Bring Forward Expenses and Payments

Purchase consumable items like stationery, printing, office and computer supplies. Spend on marketing, advertising, donations and sponsorships. Purchase capital items, i.e. office equipment under \$20,000 and obtain a 100% tax deduction. Make payments for repairs & maintenance.

5. Write-off Bad Debts

Review Trade Debtors listing to write off all Bad Debts before 30th June. Prepare a minute of a Directors meeting listing each bad debt as evidence that these amounts were actually written off prior to year end. Retain all correspondence from Receiver Managers and Liquidators as evidence and proof of debt.

6. Year End Stock Take

For Business holding inventory of more than \$5,000, you will need to prepare a detailed stock take valuation as at 30th June.



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