

# END OF FINANCIAL YEAR WRAP-UP GET IT RIGHT AND WATCH THE MAGIC HAPPEN

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This is the best time of year to look at tax forecasting, strategic planning and tax reduction strategies. Bringing forward some tax decisions, and deferring others, can create magic for your business and put you on a firm footing for the 2020 financial year.

You should be looking at your expected taxable income for the current financial year and your projected/expected taxable income for the next financial year. Reviewing year-to-date results and considering next financial year results will assist your tax planning strategy.

**Here are some tax changes that will impact your end-of-financial-year:**

- **NEW THRESHOLD!** Immediate deductibility for the purchase of small business assets

Small businesses can immediately deduct the business portion of most assets if they cost less than \$30,000 and were purchased between 7.30pm on 2 April 2019 and 30 June 2019.

This deduction applies to new or second-hand assets, in the year the asset was first used or installed ready for use. Assets purchased prior to 2 April 2019 still qualify for the immediate deduction. Check with the ATO website for the different thresholds available during the year

Check with your tax adviser how the asset may impact on your cash

flow or finances in the short-term and make the decision based on the needs of your business, not the tax savings.

- **Single Touch Payroll (STP) – Starting 1 July 2019 for businesses with fewer than 19 employees**

STP is an electronic method for providing the ATO with real-time payroll data at the time employees are paid.

Remember, your employees' tax and super information will be sent to the ATO each time you run your payroll and pay your employees.

There is still time to put in place a cloud accounting to deal with the requirement.

- **Concessional contributions cap – what can you claim in the 2019 financial year**

The concessional contributions cap is \$25,000 for everyone. If you are employed, you can make personal deductible contributions to your super fund in after-tax dollars – please consider your employer contributions as you can't exceed the \$25,000 concessional cap.

Always contact your superfund directly to ensure you are

completing the correct forms before depositing any funds. Otherwise, you may end up contributing funds in a manner unfavourable to your tax situation.

## CLAIM EVERYTHING YOU ARE ALLOWED AS A TAX DEDUCTION

In general, if you have to spend money on anything that relates to 'earning your income', make sure you claim it.

Even if you purchase an item partly for work and partly for personal use, you can still claim the work-

related part as a tax deduction. Not sure whether you can claim a particular item? Keep the receipt and ask your tax accountant at tax time.

As always remember, when it comes to the end of the financial year – get organised prior to 30 June and roll into 2020 financial year well prepared and informed.

## Magic!

*P.S. Post-election there could be new tax policies in place. Some will need to be considered prior to 30 June 2019 to ensure your best tax outcome.* 

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*Sharee Webster joined Holmans in April 2007. Sharee manages the Holmans Maroochydore office, which was opened in April 2008. Sharee is a Chartered Accountant and holds a Bachelor of Commerce from the University of Queensland, a Chartered Tax Adviser from the Taxation Institute of Australia and a Registered Tax Agent.*

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