brealey quill kenny
CERTIFIED PRACTISING ACCOUNTANTS

Pre June 2015 Business Tax Planning

A. Items which will have a direct tax impact without direct cash outlay

- Perform a complete stock take at 30 June 2015. Ensure stock is valued at the lower of cost or net realisable value as at 30 June 2015.
- Review your Debtors listing and write any Bad Debts off prior to 30 June 2015.
- Review your Plant & Equipment listing and write off any equipment which has either been scrapped or has a nil value.
- Review the carrying value of other assets and write off any which are held at greater than their net realisable value.

B. Items which will have a direct tax impact but with a direct cash outlay

- Bring forward any expenses such as stationery, printing, office and computer supplies etc.
- Buy any tools or equipment required, which have a value of less than $100, as these can be written off in the year of purchase.
- Small businesses* may immediately write-off Plant & Equipment costing less than $20,000 (excluding GST). This is a significant increase in threshold from $1,000. This applies for Plant & Equipment purchased from budget night, 13 May 2015 to 30 June 2017. *A small business is defined as a business with aggregated turnover of less than $2 million.
- If Repairs & Maintenance are required make these prior to 30 June 2015.
- Any promised Donations should be paid by 30 June 2015.
- Prepay any regular expenses of value less than $1,000.
- Pay items such as motor vehicle registration or insurance where invoices have been issued to you but payment is not yet due (but will be due soon after 1 July 2015).
- Prepay items under a contract of service (e.g. prepay salary and wages, bonuses and commissions which are due based on service up to 30 June 2015).
- Contribute to Superannuation – ensure maximum deductible contribution caps are not exceeded:
  - Cap for those aged 48 or less on 30 June 2014 is $30,000 for the 2015FY
  - Cap for those aged 49 years or over on 30 June 2014 is $35,000 for the 2015FY

C. Items which will have a deferred tax impact but with a cash outlay

- Buying equipment required, which has a value of greater than $100, will provide a tax deduction over its useful life (eg if an item is purchased at the start of May 2015 for $10,000, it has a useful life of 5 years, the depreciation rate is 40% using Diminishing Value, the full year depreciation claim would be $4,000 per year, with $333 claimed in the 2014/15 year Tax Return

The Items covered above are general comments only. Should you wish to discuss or clarify any of the items above, with specific reference to your circumstances, please contact our office.