

Year End Tax Planning 2015 - Strategies to Reduce your Tax

- ☐ **Ensure You Have Your Paperwork Together.** The ATO can disallow a deduction without the appropriate written evidence.
- ☐ **Salary Sacrifice in to Super** - Super contributions are taxed at 15%. If you are on a marginal tax rate of 19% or more you can save tax by having your employer pay some of your before-tax income in to super. Receiving an end of financial year bonus? Why not salary sacrifice it in to super? **Note** – Superannuation contributions are limited to \$30,000 for those under 50 and \$35,000 for those aged 50-75. Contributions over these amounts could be taxed at 49%! These limits include the compulsory 9.5% contributions.
- ☐ **Prepay Interest** - Have you borrowed funds to invest in property or shares? You can prepay your interest up to 12 months in advance.
- ☐ **Property Depreciation Report** – Do you have a rental property? Consider having a property depreciation report prepared to maximise claims for building allowance and depreciation by claiming depreciation on the building and fixtures.
- ☐ **Motor Vehicle Expenses.** Do you use your motor vehicle for work or business? Ensure you have completed a log-book for the required 12 week period to maximise your claims.
- ☐ **Donations.** - Thinking of donating to a charity. Donate before June 30th to claim a tax deduction.
- ☐ **Income Protection Insurance** - Premiums are tax deductible and can be pre-paid 12 months in advance.
- ☐ **Defer Investment Income or Capital Gains** - If you are considering selling an asset perhaps it will be better if you entered into the contract for sale after July 1st (for example if you had an unusually high income in 2015).
- ☐ **Realise Capital Losses** - Have you had capital gains in 2015? Considering selling those loss making assets? Capital losses can be offset against capital gains and may reduce your tax liability.
- ☐ **Transition to Retirement Income Streams.** Over 55 and want to save tax whilst boosting your super? Speak with one of our accountants to find out how.
- ☐ **Superannuation Contributions on Behalf of Your Spouse.** Do you have a spouse with an income of less than \$13,800? You can claim an offset of up to \$540 for contributing in to their super fund.
- ☐ **Government Superannuation Co-Contribution** – If you earn less than \$49,488 the government will contribute up to \$500 in to your super fund. For every dollar up \$1000 the government will co-contribute 50 cents. This reduces by 3.33 cents for each \$1 of income over \$34,488 up to \$49,488.
- ☐ **\$20,000 Immediate Write-Off for New Plant and Equipment** – If you are operating a small business you can claim an immediate write-off for any plant and equipment purchased after 13th May 2015, costing \$20,000 (net of GST) or less.

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.