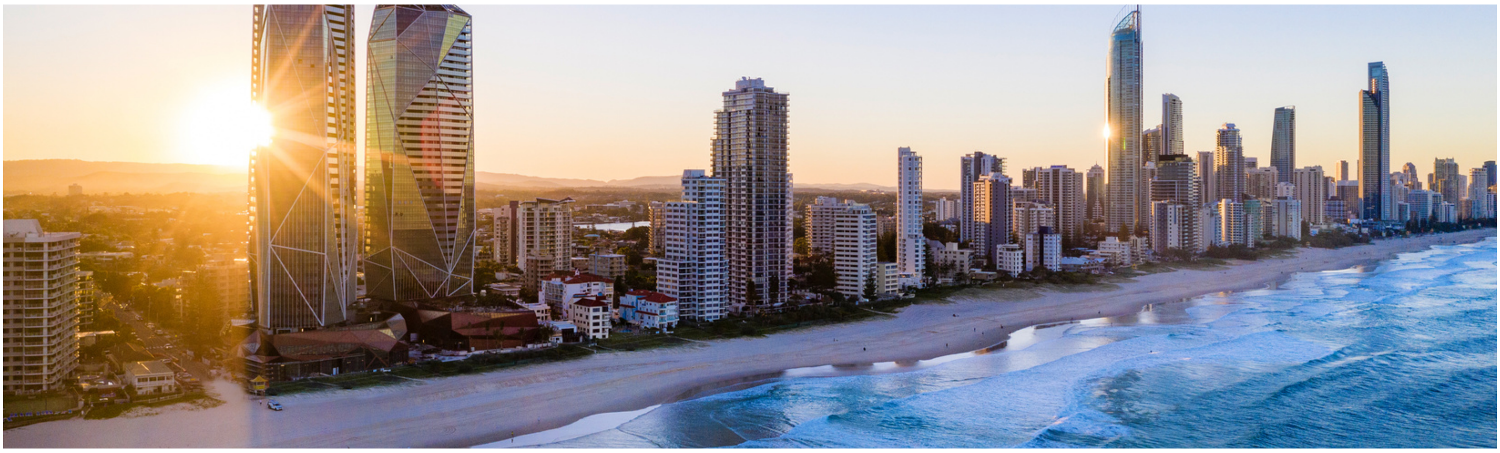
KEYPOINT
ACCOUNTANTS & ADVISORS

NEWSLETTER

PRE 30 JUNE TAX PLANNING



PROS OF Pre 30 June Tax Planning

- To have a clear understanding of your current tax positions and the ability to make informed decisions about current and future cash spending.
- Opportunity to maximize deductions: Pre-30 June tax planning can help you identify ways to maximize your tax deductions and minimize your taxable income, which can result in a lower tax bill.
- Better financial planning: By planning ahead, you can gain a better understanding of your financial position and make informed decisions that can improve your financial outcomes.
- More time for complex transactions: If you have complex financial transactions, such as selling an investment property or starting a new business, starting the planning process early can give you more time to properly assess your options.

CONS OF Pre 30 June Tax Planning

- To have no understanding of your current tax positions and making poor cashflow decisions without the knowledge of where your true cash position actually is.
- Unforeseen circumstances: Unexpected events such as illness, job loss, or a major life event can impact your financial situation and your ability to follow through with your tax planning strategy.
- Time-consuming: Pre-30 June tax planning can be time-consuming, particularly if you have a complex financial situation, which can take away from other important activities.
- Need for professional advice: Depending on your financial situation, you may need to seek professional advice from a tax accountant or financial planner, which can be costly.

BUSINESS TIPS

ways to save Tax

Pay quarterly super

Super Guarantee (SG) contributions must be paid by 30 June to qualify for a tax deduction in the 2022-23 financial year. The fund must receive these contributions by 30th June. Some clearing houses can take more than a week to submit the payment to the super fund. Always ensure that superannuation is paid before June 20th.

Instant Asset Write-Off ENDS 30 JUNE 2023

This financial year, the instant asset write-off allows eligible businesses to instantly deduct any amount spent on assets in their upcoming tax return. (Caution: be aware when selling the asset in the future all the sale value will be assessable with tax payable, as the purchase was written off 100%)

Stocktake

Obsolete, slow-moving or damaged stock should be identified by 30 June and disposed of for income purposes to receive a deduction. You should minimise the amount of stock on hand at year end.

Small Business CGT Concessions

Individuals operating a small business may be eligible for capital gains tax (CGT) concessions on the sale of business assets. The small business CGT concessions are available to business taxpayers with an aggregated turnover of less than $2 million or CGT assets owned by you and certain entities not exceeding $6 million (conditions apply - contact our office for more information).

Defer Income

Businesses may wish to delay tax payments on assessable income this financial year by deferring invoices until after 30 June. Income from the payments won't be taxed until the following financial year.

Prepaid Expenses

If at all possible, you should incur any expenses for business use prior to 30 June. This way that expense will be included in the 2023 tax year rather than 2024 tax year, reducing your tax payable in this financial year. Ensure the payment incurred does not exceed a 12-month period. Examples include consumables, repairs, office supplies and subscriptions.

Family Trusts - Distribution Minutes

Remember that family trusts must decide who is receiving the trust's income and capital before 30 June. We will be in touch before 30 June to assist in this legal requirement.

INDIVIDUALS - WAYS TO SAVE TAX

HOME OFFICE

There are 2 ways to claim your home office expenses:

- Actual Cost Method
- Fixed Cost Method - a rate is now 67 cents per hour

The revised fixed rate covers energy expenses (electricity and gas), phone usage (mobile and home), internet, stationery and computer consumables. No additional deduction for any expenses covered by the rate can be claimed if you use this method.

What can be claimed separately; the decline in value assets used while working from home such as computers and office furniture. The repairs and maintenance of these assets and the costs associated with cleaning a dedicated home office.

PRIVATE HEALTH INSURANCE

If you or your family are High-Income earners then you should consider buying Health insurance to avoid Medicare Levy Surcharge.

INDIVIDUAL OCCUPATIONS - WORK RELATED EXPENSES

ATO Fact Sheets available for specific occupations to assist you in claiming work related expenses.

Click link here to find your occupation

www.ato.gov.au/individuals/income-and-deductions/occupation-and-industry-specific-guides/

PERSONAL SUPER CONTRIBUTIONS - TAX DEDUCTIONS

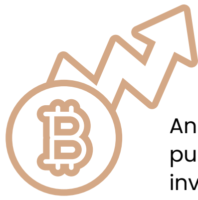
If your total superannuation balance is less than $500,000 and you have not fully maximised your concessional contribution caps from 2019 finanancial year through to the current year, you may be eligible to use the 5 Year Carry Forward Concessional Contribution.

This entitles you to claim personal superannuation deductions in your current year tax return for the amounts paid of your unused concessional contribution cap from prior years back to the 2019 year.

As this is a rollying 5 year period, this is the last financial year you will be able to "carry forward" contributions from the 2019 financial year.

ATO TARGETING - Be aware

- ATO Attacks Common Trust Distributions
  HIGHEST PRIORITY - to review likely tax distributions before 30 June. Distributions have to go to the beneficiary receiving the benefits. Significant tax consequences could apply if not reviewed.
- Excessive expense claims on rental property or home your occupy.
- Excessive expenses claimed in work related expenses.
- Crypto transactions.



CRYPTOCURRENCY INVESTORS

An investor of cryptocurrency is someone who has purchased it with the intention of it becoming an investment.

Any cryptocurrency events need to be reported on your taxable income. This is because cryptocurrency is generally classified as a CGT asset.

For example, if you acquire a crypto asset as an investment, transactions such as disposal or exchange or swap are a CGT event, and you may make a:

- Capital Gain
- Capital Loss, which can reduce the capital gain you make.

Do you know your tax Rate

Taxable Income	Tax on this income
0 - $18,200	Nil
$18,201 - $45,000	19c for each $1 over $18,200
$45,001 - $120,000	$5,092 plus 32.5c for each $1 over $45,000
$120,001 - $180,000	$29,467 plus 37c for each $1 over $120,000
$180,001 and over	$51,667 plus 45c for each $1 over $180,000

The above rates do not include the Medicare Levy of 2%

TAX TIPS FOR PROPERTY INVESTORS

Repairs VS Improvement

Bring forward any maintenance expenditure that needs to be completed by 30 June. Be sure to distinguish between what the ATO considers to be a 'repair' and what is an 'improvement', as improvements are depreciated.

Interest

Pre-pay interest on property investment loans if there is adequate cash flow in order to claim an immediate deduction.

Depreciation deductions

A qualified quantity surveyor can provide a depreciation schedule outlining the available tax deductions and providing a significant return. The cost of having a depreciation schedule prepared is also tax-deductible

Prepaid Expenses

Bring forward any maintenance expenditure that will need to be completed by 30 June. Ensure to distinguish between what the ATO considers a 'repair' and an 'improvement', as improvements are non-deductible.