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## End of Year Tax Tips

- Money spent on tax deductible items up to and including 30 June can reduce your tax in that year.
- Super Contributions must be RECEIVED by your superannuation fund by the 30<sup>th</sup> June in order to claim a tax deduction in the current year.
- Check your superannuation caps if you plan on making large super contributions prior to 30 June.
- **SMSF (Super) Pensioners** – Make sure you have taken out your minimum pension from your Super Fund before 30 June.
- **Trusts** – Complete and sign your Trust Income Resolution prior to 30 June for the current year.

### Businesses

- Prepayments of eligible expenses before 30 June may bring forward tax deductions from the following financial year into this year.
- Check your superannuation caps if you plan on making large super contributions prior to 30 June.
- **Small Businesses** – For the period 12/5/15 – 30/6/17 those qualifying as small businesses can access an immediate write-off for certain new OR Used assets purchased for use in their business (conditions apply). This temporarily replaces the previous \$1,000 limit. You may also be able to immediately deduct any asset pools you are using with opening balance less than \$20,000.

### CASH VS ACCRUALS

#### Will reduce your Taxable Income

- The payment of creditors prior to 30 June will reduce your taxable income if you complete your tax on a CASH basis (i.e will move a tax deduction from next year to this year).
- The receipt of invoices (for expenses) as Creditors will reduce your taxable income if you operate on an ACCRUALS basis (i.e will move a tax deduction from next year to this year).
- Not receiving money from Sales (if on a CASH basis) will mean the Sales are included in the next financial year.
- Writing off unrecoverable bad debts will reduce your taxable income if you operate on an ACCRUALS basis.

#### Will increase your Taxable Income

- Receiving payments from debtors (sales) prior to 30 June will increase your taxable income if you complete your tax on a CASH basis.
- The issuing of Sales invoices (Debtors) will increase your taxable income if you complete your tax on an ACCRUALS basis.
- Delaying purchases (receiving invoices if on an ACCRUALS basis) or delaying the payment for purchases (if on a CASH basis) will mean your expenses are included in the next financial year.