

AT RUBIIX, WE OFFER MORE.

BENEFIT FROM OUR FULL FINANCIAL HEALTH SERVICES TODAY.

Now that tax time is winding down, it's a fantastic opportunity for us to help you benefit from our Financial Health services. You're important to us, and that's why we go beyond just completing your annual tax obligations. There are many aspects to your Financial Health and at Rubiix we can assist in considering what's best for you. Our services are wide-ranging and you may not have thought an accounting company could offer so much. Through our quality business contacts, we can put you in touch with a wide range of professional services who can help you!

Outside the box scenario - Home loan review. Banks often change what they're offering, such as lower interest rates, offset accounts and different loan types. We can assist in the review of your home loan options and repayments, which could save you dollars and shave off time. Give us a call or send us an email to see how we could help you.

TAX MINIMISING STRATEGIES

Time after time, we see businesses that may not consider or take advantage of the ways they could reduce their tax liabilities, and therefore, increase their profit. Here are just some of the numerous tax strategies that your business might like to consider for this financial year.



DELAY INCOME

Consider holding off issuing invoices to your clients or customers until after June 30. Any extra income in this period just means more tax to pay for this financial year. This strategy needs to be considered along with the commercial reality of your business.

PURCHASING ASSETS BELOW \$30,000

If you operate a small business (where turnover is below \$50 million), the cost of purchasing plant, equipment and other assets (including cars) can be written off in the year of purchase rather than be depreciated. The individual cost of each asset has to be less than \$30,000. If the cost is above \$30,000, then the business can depreciate it at an accelerated rate instead. Per the 2019 year budget it is important to note that this scheme ends the on June 30, 2020.

If you purchase portable electronic devices for your employees, costs associated with the purchase can also be written off. There is no FBT payable on these costs either. We advise clients to purchase equipment that is required rather than chasing a tax deduction.



POOLING ASSETS ABOVE \$30,000

Small to medium businesses (with a turnover of less than \$50 million) can consider pooling their assets (that cost \$30,000 or more) together, and access accelerated depreciation rates. The depreciation rate is 15% on the year they purchased the asset, and 30% every year thereafter.



REPAIRS

Any repairs to your business are tax deductible – this even includes repairs to cars, trucks and other equipment. So, there's no reason for you not to finally get all those niggly repairs done! However, just be aware that any improvements (rather than repairs) to your business are treated differently for tax purposes. These potentially might not be an immediate deduction – we can advise on your specific situation.

STATIONERY/BRANDING

Why not place a bulk order for your stationery, business cards and branded consumables? Getting it done prior to June 30 will bring forward the tax deduction to this financial year. If you are re-branding, it's a fantastic time to take advantage of this strategy.



STARTING A BUSINESS

If you have started a business during the 2018/18 year, you can write off most start-up expenses. In previous years, you could not claim these expenses in this way. Start-up expenses also include entity structure set up costs too.

PAYING A BONUS

If you are planning to pay a bonus to an employee soon in the next financial year, you can include it as a legitimate liability in this tax year and claim it as a tax deduction. While the bonus payment does not actually have to be incurred this financial year, you are under a legal obligation to ensure that your employee is paid in the next financial year.



SUPER

If your employees next pay cycle occurs just after June 30, you may like to consider paying their super before June 30 instead. This is just another way to reduce your tax bill in the current financial year before company tax rates decrease in the next financial year.

For business owners, we advise that you should maximise your own superannuation contributions prior to June 30. This is because the maximum claim limit will be significantly reduced in the next financial year. Currently, the maximum that can be claimed is \$25,000, regardless of your age. If you are an individual and don't run a business, you can now make extra super contributions (to the \$25,000 limit) in addition to any Super Guarantee contributions.

PREPAYMENT OF EXPENSES

Prepayment of expenses prior to 30 June such as insurance or interest expense brings forward the deduction to the current financial year. Also contacting other suppliers to organise prepayment also brings forward tax deductions therefore reducing tax expense



ESTABLISHING A CORPORATE BENEFICIARY

Many of our successful business clients establish a corporate beneficiary to limit tax liability for the group between 27.5% - 30%. The strategy does require extra accounting maintenance as the ATO have a number of tax rules limiting flexibility however the tax savings can be substantial. Contact our office to see if this option fits your business needs.

TIMING OF DIVIDEND PAYMENT

If you operate your business using a company structure, considering the timing of a company dividend payment can have tax implications. Each year we discuss with business owners the timing of the dividend and the tax outcomes to get cash out of the business for the owners as well as limiting tax expense.



WRITE OFF CLOSING STOCK

When reviewing your stock at the end of the year, ensure that you write off stock that has been lost or is obsolete.



INCOME PROTECTION INSURANCE

Many of our clients don't realise that income protection insurance is tax deductible. Therefore, if you pay for this type of insurance personally, you can claim this deduction in your own personal tax return.

STRUCTURE YOUR DEBT CORRECTLY

Interest expense is deductible on any debts provided that the debts were used for income producing purchases. Structuring your debt accordingly to claim a deduction is appropriate.

We usually advise clients to review their debt regularly to maximise their profits. It is particularly important that any bad debts are written off prior to 30 June each year. The write-off, or reversal of debtors, can be claimed as a legitimate tax deduction, so we encourage our clients to take advantage of this strategy.



There are many more strategies to minimise your tax and maximise your profit. With our experienced Rubiix advisors, we can identify and tailor a tax strategy for your unique business. Contact us today.

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