

Tax Planning Checklist

Client Name:

Date:

Action Step ✓ or N/A

Business Tax Planning Strategies

- Income - Delay Invoices / Receipts to AFTER 30 June - Incorporated SBE's rate drop to 28.5% and 5% tax discount on business profits for unincorporated SBE's up to \$1,000
- Expenses - Incur BEFORE 30 June (eg. Consumables)
- Employer Super - Pay BEFORE 30 June (NEW 9.5% rate was payable from 1 July 2014)
- Bad Debts - Write-Off BEFORE 30 June (and record attempts to recover)
- Stock-take / WIP amount as at 30 June & tax effect
Stock-take - value of each item (cost/replacement/market)
- Commercial Salary to Family Members? (and assoc. super)
- Travel Allowance - Need Travel Log Book
- Salary Packaging Options:
Exempt - No FBT Payable
- Notebook Computer, Briefcase, Airport Lounge Membership
Otherwise Deductible
- Home Office, Professional Memberships, Investment cost from Investment Property
Concessionally Taxed
- Motor Vehicle Novated Lease
Agreements must be entered into before income is derived.
- Primary Production - Farm Management Deposits, livestock deferrals, 30 June livestock balances, abnormal receipts
- Small Business "Asset Write-Offs" (Accelerated Depreciation)
- most depreciable assets < \$20,000 immediately deductible
- Trust Distributions - Maximum of \$416 to Children under 18

Tax Alert Issues for 2016

- Prepare Trust Distribution Minutes BEFORE 30 June 2016
- Trust Deeds - Updating needed for income streaming?
- Div 7A Problems - Any Unpaid Present Entitlements?
- Div 7A Loans - Minimum capital and interest payments made?
- Motor Vehicle Log Books kept? ESSENTIAL!
- No logbook means only the cents per km method can be used
- Personal Services Income (PSI) issues?
- Service Fees - ATO Procedures followed?

Action Step ✓ or N/A

Individual / Financial Planning Tax Strategies

- Ensure Super Contribution Caps are NOT exceeded
- Super Contributions - Up to \$30,000 is fully tax deductible for individuals under 50 as at 30/6/16. Up to \$35,000 for individuals 50 and over as at 30/6/16.
- Super Contributions - non-concessional lifetime limit of \$500,000 for those under 65. ^{Note 1}
- Super Co-Contribution (need Income under \$50,454)
- Salary Sacrifice - Future Superannuation Contributions
- Margin Loan - Prepay Interest? For 12 months
- Capital Protected Investment Loan - Prepay Interest?
- Life Insurance - Paid via Superannuation?
- Income Protection Insurance - Prepay for 12 months
- Home Loan Refinance - Debt Optimisation Strategy
- Depreciation Report - Request for rental properties
- Overtime Meal Allowance - Tax Free Income
- Capital Loss Assets - Sell BEFORE 30 June
- Capital Gains - Defer Contract to AFTER 30 June
- Insurance Bond Strategy - No assessable income (10 yr limit)
- Transition to Retirement - viable in limited circumstances
- Medical Expenses - Keep receipts - Can only claim Net Medical Expense Tax Offset in 2016 if claimed in 2015 and restricted to disability aids, attendant care or aged care.
- Self-Managed Super Fund (SMSF) Strategies
 - Purchase investment property using gearing?
 - SMSF Trust Deed Update

Note 1 - Superannuation lifetime limit of \$500,000 measure subject announcement in the 2016 Budget not yet legislated. Lifetime limit is from the commencement of the 2006-07 financial year. Caution should be exercised until such time that these proposals are passed as legislated. Seek guidance from your accountant.

Asset Protection & Business Structure Review

- Review / Establish Wills & Power of Attorney
- Incorporate Company Beneficiary
- Secure Loan Accounts to Trading (risky) entities
- Convert Trust Loans to Gifts - Deed of Gift needed
- Gift Equity in Properties to Family Trust
- Review ownership of Investments & Business Structure
- Business Succession Plan?

Advanced Tax Planning Strategies

- Significant sale or purchase of a business
 - Are small business concessions available?
 - Capital Gains Tax planning options
- Effective remuneration of employees (employee share scheme)
- Establishment of an Investment Trust (Div 7A work-around)