

27 June 2016

Hi all,

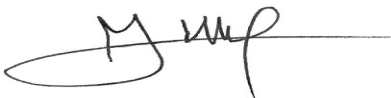
Tax planning & end of financial year checklist

Various points listed below, you will need to review each point to determine what is applicable in your individual circumstances & your eligibility:

1. For those drawing a superannuation pension, you need to ensure the minimum pension is withdrawn from your superfund by 30 June 2016.
2. If you are making superannuation contributions, you need to firstly ensure you are eligible to do so & secondly in order for them to count in the current financial year they need to be deposited into your superfund account by 30 June 2016. Ensure you adhere to the relevant contribution caps.
3. If your business is renting commercial premises from your own SMSF, ensure commercial rent is being paid & that the lease is up to date.
4. Pre-paying relevant expenses by 30 June 2016 is definitely a good way of minimising your tax liability. The tax laws favour businesses over employees as generally there are more concessions, deductions available to businesses than to employees. For businesses, this is also dependent on whether you report on an accruals or cash basis.
5. Similarly, if you intend on making any donations ensure they are paid by 30 June 2016 & generally the organisation needs to be a deductible gift recipient (DGR) in order for it to be 100% tax deductible.
6. Depreciable assets purchased under \$20,000 can be instantly written off. Assets include things such as plant & equipment, computer hardware, motor vehicles etc. Only applicable to 'small businesses' (i.e. turnover of less than \$2M).
7. It has also been proposed within the recent budget that the company tax rate for small businesses will be cut to 27.5% as of 1 July 2016. It is unclear at this stage whether they will pass this through legislation or not.
8. Review your trade debtors & write off any bad debts by 30 June 2016.
9. If you have sold any real estate or shares that fall under the capital gains tax (CGT) provisions, note that the contract date is when the asset is considered to be sold for tax purposes not the settlement date.
10. If you run a stock ledger within your business, ensure you write-off slow moving or obsolete stock which will impact your closing stock balance as at 30 June 2016.
11. For those that do not currently hold private health insurance, it may be ideal for you to obtain private health cover in order to avoid the Medicare Levy Surcharge. This of course is subject to the various income thresholds.
12. There have been a number of announcements in relation to superannuation within the recent budget but again it is unclear which ones will pass & become legislation.
13. Finally, for those who operate family/discretionary trusts ensure you have your profit distribution resolutions in place by 30 June 2016.

We strongly suggest you speak to us if you require any assistance or have any questions in relation to the above.

Yours sincerely,
DCG Consulting Pty Ltd.



Michael Temelli
Chartered Accountant