

As we approach the end of a financial year, there are some factors you may wish to consider as part of your year-end tax planning.

Please read through our key areas to be aware of for **Individuals** and **Businesses**.

## Individuals

### Working from home deductions



Individuals can claim expenses including electricity, gas, phone, internet, computer consumables, and stationery at 67 cents per hour worked from home.

Taxpayers can claim deductions for the decline in value of assets separately. Keep track of your hours worked from home to calculate your home office claim for the 2024 financial year.

### Investment properties



Getting a depreciation report from a quantity surveyor is tax beneficial. It includes depreciation calculations for assets and the building and covers multiple financial years.

### Work-related expenses



Keep all receipts for work-related expenses such as uniforms, training courses and learning materials, as these may be tax deductible.

## Businesses

- Review your fixed asset register against the physical assets of your business and write off any plant or equipment that is obsolete or no longer in use.
- Consider your old receivables, are they recoverable? If not, write off your bad debts to obtain the tax deduction assuming you are reporting on an accruals basis for tax purposes.
- Complete a stock take at 30 June 2024.
- If operating your business through a trust, make sure you have resolved how income will be distributed for tax purposes prior to 30 June 2024.

### Instant Asset Write Off - For eligible small business owners

The government announced it will be extending the \$20,000 instant asset write-off by a further 12 months until 30 June 2025.

This measure was previously announced as part of the 2023-24 Budget in relation to the 2023-24 income year.

**SMALL BUSINESSES TURNING OVER LESS THAN \$10 MILLION**

**CAN DEDUCT FULL COST OF ASSETS COSTING LESS THAN \$20,000**

**MUST BE READY FOR USE BY 30 JUNE 2025**

### Division 7A loans

- Where companies have lent money to Directors/Shareholders or Associated Entities (except for Associated Companies) in previous years, must make minimum loan and interest repayments by 30 June, 2024. Note, the interest rate on Division 7A loans increased from 1 July 2023 to 8.27% p.a.
- For current year loans, full payment or a written loan agreement must be in place before the company's return lodgement due date.
- This is to avoid it being counted as an unfranked dividend for the individual.

### Trust distributions

A reminder that trustees need to have decided how the income for the year is to be distributed, prior to 30 June, and this must be documented.

If you need any assistance with tax implications of any proposed distribution, please contact your advisor. The ATO is cracking down in this area!

## Businesses (Continued)

### Prepaid income (or sometimes called 'Income in Advance')

- Customer deposits for upcoming services or products can be considered prepaid income that may be deferred to the following financial year.
- This can help reduce the business' taxable income and any associated tax liability for the 2024 Financial Year.

### Pre-paying deductible expenses

- Consider paying tax deductible expenses (where cash flow permits it) before 30 June to bring forward your tax deduction to the current financial year.
- Examples of tax deductible expenses include office supplies, materials, subscriptions etc.
- Businesses have more concessions and deductions available than employees.
- The amount of concessions and deductions depends on whether the business reports on an accruals or cash basis.

## Superannuation contributions & pension

- Check your eligibility before making superannuation contributions.
- Deposit the contributions into your superfund account by 30 June 2024 to count in the current financial year. We recommend a minimum of 10 days earlier to avoid superstream delay.
- The concessional contributions cap for 2023-24 is \$27,500 for all individuals.
- Note, the concessional cap will increase to \$30,000 from 1 July 2024.
- Going over the cap results in paying more tax, so try to avoid this.
- Super contributions are tax deductible in the financial year they are paid and received by the superfund.
- Adhere to relevant contribution caps and ask about any carry forward unused concessional contributions available to you.
- Those drawing a superannuation pension, you need to ensure the minimum pension is withdrawn from your superfund by 30 June 2024.



## Capital Gains Tax (CGT)

- For real estate, cryptocurrency or shares sold under the CGT provisions, the contract date is when the asset is considered sold for tax purposes, not the settlement date.
- To minimise and/or delay taxes, arrange for the receipt of investment income and sale of assets with gains to occur after 30 June 2024 if commercially realistic.

### Reminder

#### Maintaining complete records

There is nothing more frustrating than not being able to find receipts and payment records when tax time arrives.

Consider using an app or other web-based solutions for recording expenses and maintaining your vehicle log book.



Please note that the information above is for general information purposes only, these are things you should be thinking about as you approach the end of the 2024 financial year. It is important to carefully consider your tax planning ahead of the deadline and seek professional advice when considering any of the above.

Should you wish to discuss your tax planning options, please reach out to our office.

#### Contact us

**PH:** (08) 6165 4000

**E:** [info@armada.com.au](mailto:info@armada.com.au)

**A:** 18 Sangiorgio Court,  
Osborne Park WA 6017