



5 smart tips for small business tax time claims

Come tax time, many small businesses are not taking advantage of the many eligible claims you can make. The EOFY is a key time to make sure your books are in order, invest in your own business and take a snapshot of where your business currently stands to maximise your tax return.

1. Assets

Investment in your own business is king. If you're a small business of \$50 million and under, you can purchase equipment and be eligible for a \$30,000 instant asset write off under the new government threshold from 7.30pm AEST, 2 April 2019 to 30 June 2020. This means you can instantly claim deductions in a single claim, rather than over a period of years.

2. Stocktake

Stock is an asset on the balance sheet that carries forward into the new financial year. It's a good idea to undertake a regular stocktake to know what you have on hand to sell, and to know if any stock has been the subject of theft, or spoilage. Stocktake will also give you a clear indication if you have hit business targets. You can write off the value of stock that is obsolete and spoiled, however stock that has not yet sold is not eligible for a tax deduction at tax time.

3. Administration

With the introduction of Single Touch Payroll (STP), now's the time to make sure that you have updated your software so that all of your employee payroll information is uploaded each pay time and submitted to the ATO digitally.

This is also a key time to make sure you're up to date on your quotes, invoices and billable expenses.

4. Deductions

EOFY is also a key time to understand what your eligible business deductions are. You might be eligible for motor vehicle expenses, travel expenses and any home-based business expenses you may incur. Only business-related expenses may be claimed that are directly related to your income. For example if you've gone on a business trip, but decided to do a tour on the weekend, then you will not be eligible to claim the private portion of that trip.

Don't forget to keep all of your receipts to back up your tax claims. Credit card statements may not be eligible as they may not provide enough information to show the exact nature of the expense.

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5. Why use a tax agent?

Tax isn't simple. People have thousands of different sorts of jobs, deductions, investments and life situations. Registered Tax Agents are accountants who are highly specialised in the complicated preparation and lodgement of Income Tax Returns.

Tax Agents focus on Income Tax. Tax agents figure out how to get the tax refund each person deserves. They do taxes for a living, so you don't have to.

Make sure any tax agent you use is registered and qualified with the Tax Practitioners Board (TPB). The Tax Practitioners Board is a government body that controls tax agents.

ITP The Income Tax Professionals has been around for over 45 years and can help you maximise your personal or business tax return. Drop by your nearest ITP office today!

ITP The Income Tax Professionals are more than tax agents. They have been helping Australian individuals and businesses with their business accounting and advice for 50 years and offer a wealth of knowledge. Speak to a Professional today and see how your business can be more profitable.



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