



Top Tax Deductions For Small Businesses

Aside from handling the day to day operations of their business, owners are also responsible for filing their business' taxes. Businesses are legally obligated to be tax compliant to avoid any problems with the ATO, which can become very complicated depending on your business structure. You're not on your own. Business owners can work with professional tax accountants in Australia to make the entire process easier.

Any savvy business owner will want to minimize the taxes they'll need to pay. Knowing what deductions you're entitled to make will make a big difference come tax time. Here are some of the different deductions that small businesses can claim:

Travel Deductions

If you travel for business, there are several deductions that you can claim such as transportation using trains, buses, and taxis. You may also claim accommodation costs and meal expenses. Generally, the rule for overnight travel is:

- Keep written evidence of all expenses when travelling away from home one night or more
- Keep a travel diary that records all the expenses and specifics of your business activities when you are away from home for six or more consecutive nights

Repairs and Maintenance Deductions

If you have a car that is used strictly for business, our tax return agents can advise you on the expenses that you can claim. How you calculate them, however, will depend on your business structure as well as how the vehicle is used. You can also claim deductions for the repair and maintenance of your other business assets such as specific machinery and appliances.

Home-Based Deductions

If you run a home-based business or work in a home office, there are a variety of deductions that you can claim. These include:

- **Occupancy Expenses** - including council rates, house insurance, land taxes and mortgage interest or rent.
- **Running Expenses** - including gas, electricity and the phone. You can also claim the decline in value of plant and equipment and the decline in value and cost of the repairs to furniture.

If you sell your home, however, you may need to pay capital gains tax on the business part of your home if you were eligible to claim occupancy expenses on your tax return.

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Ensure that your tax return is lodged properly the first time by turning to ITP The Income Tax Professionals. Our professional tax agents can guide you through the lodgement process and help you determine which documents you need to help maximise your small business tax refund. 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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