



How Much Does It Cost to Hire a Small Business Tax Accountant

You want your business to grow and you know you need to hire an accountant to take things to the next level, but perhaps the cost of hiring someone has held you back from making that decision. However, it might be time to look at it another way - instead of the costs, hiring a good accountant might mean much more in savings than you might originally think.

Why should I hire an Accountant?

There are basic financial tasks you can take care of yourself, but there are many ways an accountant will be an added benefit to your small business. When it comes to problems, stress and the uncertainty of running a business, hiring a professional accountant can be your best solution.

Business Plan

If you're formulating your business plan for expansion, applying for a loan or funding from a potential business partner, you'll need good solid business plan. Your accountant will be able to forward plan and forecast your business future, interpret the results of your balance sheet, profit and loss statements and cash-flow as well as offer advice to grow your business.

Business structure

Although most businesses start out as Sole Traders, it may be time to change your business structure. When it comes to small business tax, it's best to choose a business structure that suits your needs. Your business structure will define how you pay taxes, protect your assets and leverage your costs. Having a good accountant will enable you to understand your business goals and tailor advice to suit your situation.

Licenses

Your tax accountant will support you in meeting and maintaining your compliance requirements with ASIC and the ATO, as well as apply for licenses and permits you might need to conduct your business.

Small Business Tax

Lodging your business tax return is complicated. There's lots of tasks to consider, such as calculating your deductions, capital gains, fringe benefits tax and asset deductions. Add into the mix if your business earns an annual income of \$75,000 and above, you'll be required to issue a Business Activity Statement (BAS) and collect and claim the Goods and Services Tax (GST) monthly, quarterly or annually. Tax return accountants will advise you how you can reduce your risks and lower the overall tax you'll need to pay.

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Your accountant will review your business and personal tax structure and make sure it's as tax-effective as possible.

Costs

Different accountants have different pricing structures. Some may charge by the hour, by project or charge a monthly retainer.

An accounts hourly rate will depend on their experience and expertise. A typical hourly rate will be around \$100 to upwards of \$300 for an experienced accountant.

Your accounting costs will depend on the level and how often you use the service, and will be different for each unique situation. A bookkeeper who helps with the day to day business transactions will be less than an accountant who will analyse your business's financial position and advise what you should do.

For a simple sole trader business, a tax return can cost between \$300 and \$500. The costs increase with the business structure complexity. A company tax return will start from \$1,000 and be more expensive the more complicated it is. BAS can start from \$200 per quarter for a sole trader business and more for a company, partnership or trust.

Accountants should be upfront and transparent with their pricing but it is vital that you understand what your total cost will be and what you'll receive with their service.

What should you do?

There's no doubt that hiring a professional accountant is a valuable resource who will guide your business in the right financial direction. Handing the task over to an expert will enable you to be confident that your finances are in good order and your business is performing in peak condition.

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