



10 things to do before year end

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Tax and Planning

1. Budget Changes.
2. Structure – Dividend Trusts.
3. Set Your Goals for 2013.
4. Cash Accounting.
5. Accruals Accounting.
6. 80/20 Rule – results test.
7. Log Book.
8. Superannuation contributions.
9. Take Control of your super.
10. Insurances.

Note: After year End - Wills, Estate Planning – Testamentary

1. Budget Changes – Tax Rates (Personal)

NOTE: From 1 July 2012, the tax-free threshold will effectively rise from \$15,000 to \$20,542.

Taxable Income	Tax on this income
\$0 - \$18,200	NIL
\$18,201 - \$37,000	19c for each \$1 over \$18,200
\$37,001 - \$80,000	\$3,572 plus 32.5c for each \$1 over \$37,000
\$80,001 - \$180,000	\$17,547 plus 37c for each \$1 over \$80,000
\$180,001 and over	\$54,547 plus 45c for each \$1 over \$80,000

1. Budget Changes – Gains

- **Company losses offset against previous earnings, and tax paid.**
- **From 1/07/12, assets less than \$6,500 have immediate write off (vehicles claim \$5,000 initial depreciation then normal rates).**

1. Budget Changes – Losses

L.A.H.A expenses need to be substantiated and maximum period 1 year.

- **Must maintain a home in Australia.**
- **Super tax increases. Where earnings > \$300K from 15% to 30% of contributions.**
- **Super up to 12% by 2019-2020.**
- **Non residents tax rates and CGT rates increased.**

1. Budget Changes – Withdrawn

- **Cuts to company rates withdrawn.**
- **Education tax refund, replaced with School kids bonus \$410 primary and \$820 secondary.**
- **50% discount on interest income withdrawn.**
- **Removal standard deductions.**

2. Revisit Structure

Type	Structure
Partnership	More beneficial than a sole trader if spouse not earning a high salary
Dividend Companies	Those approaching retirement age
Trusts	There are many options and situations when appropriate <ul style="list-style-type: none">• Children over 18 not working• Self funded retiree parents

3. Set your goals for 2013

A copy of this spreadsheet is available to download from our website please visit <http://www.fincare.com.au/>

Budget Spreadsheet

If this spreadsheet doesn't suit your needs let us know and we will be able to design one that does.

4. Cash Accounting

(note: GST & Taxation not necessarily the same)

- **Decide where to defer income/accelerate expenses to defer tax.**
 - **more profitable next year, may pay more tax.**
- **Prepay expenses up to 12 months.**
- **Defer income by receiving payment in the following year.**
- **Buy assets < \$1,000.**

5. Accruals

- **Defer income by invoicing following year.**
- **Correct allocation of grant/project income.**
- **Ordering and receiving invoices for goods in current year.**
- **Writing off current year bad debts.**
- **Accurate stock take – write off obsolete sock.**

6. 80/20 Rule – results test

- **If 80% of your revenue comes from one source then you may be limited to the deductions that you can claim.**

7. Log Book

- **FBT - Flat rate of 20% on purchase price.**

8. Super Contributions

- **Pay before 30th June 2012.**
- **Maximize contributions – if you need deductions \$25 or \$50K.**
- **Contributions splitting.**
- **Government Co-Contribution.**
- **Excess contribution issues.**

9. Take Control Of Your Super

- **SMSF**
- **Assets Allocation**
- **Term Deposits**
- **Property**
- **Shares**
- **Gearing**
- **Super Contributions**
- **Transition to retirement**

10. Insurances

(note: protect/manage cash flow)

- **Business expense insurance.**
- **Income protection via super.**

After Year End

Wills, Estate Planning – Testamentary

- **Testamentary Trusts**
- **Custody**

Please Note:

We are offering you a free 1/2 hour follow up appointment in the last 2 weeks of June.

Please call our office on (02) 9542 4655 and mention “seminar” when booking your free follow-up appointment.