



## TAXATION MANAGEMENT

### Tax Planning for Business

A checklist of tax planning initiatives you should consider for your business.

If the following events have occurred this year, or you are anticipating similar changes, you need to address taxation implications immediately. Has your business:

- Made asset acquisitions or purchases?
- Undertaken restructuring or are you considering changes?
- Made changes to its ownership?
- Expectations of a higher than normal taxable income?
- Started up any new businesses under a different entity?

Tax planning is simply arranging your affairs, both personally and for your business, to legally minimise taxation liabilities. However, it is important not to pursue tax reduction strategies if it upsets the balance or workings of your business. Not all tax strategies are suitable to all businesses. You should always measure the tax strategies available against the needs of your business to ensure the optimum result is achieved.

The following are some broad tax planning techniques that could be adopted for your business this financial year:

#### Deferred Income

It is possible to minimise income by deferring receipts. Large receipts expected close to the end of the financial year should be closely looked at.

#### Maximise deductions

Special consideration should be given to the prepayment of expenses (including borrowing expenses). Other deductible expenses to review include superannuation contributions, some bad debts, depreciation on business assets, and devaluation of your trading stock.

#### Tax offsets (rebates and credits)

Investigate how your business accounts for dividends received or to be distributed to shareholders and beneficiaries such as trusts.

#### Capital Gains Tax

Strategies for handling asset purchases and sales have a marked effect on your taxation position. If you have CGT liabilities you may benefit from having the receipt determined to be capital in nature rather than revenue. This could be attractive if you have unused capital losses. If selling your business focus on the best way to transfer ownership and receive the proceeds with minimum CGT implications.

#### Which tax vehicle?

The correct structuring of your family group can significantly improve your tax position. The channelling of income to a family trust might be an excellent way of minimising overall tax liability. Group structures should be reviewed each year to ensure you remain ahead of the game with your business.

As a business owner, there is a multitude of options available to you to minimise your personal and business tax. The right one for you will depend upon your specific circumstances. Make an appointment to talk to your adviser before June 30th.

If you would like to take advantage of our free consultation or would like to know more about our services please contact us on (07) 3832 6020,  
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