

Azure Group



Corporate Advisory

Taxation

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Why us?

SMART TIPS

Tax planning checklist

TAXATION

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Print the following checklist

to ensure you are planning well in advance of 30 June each year and take a moment to consider:

- ✓ What your likely tax position will be
- ✓ What can be done to improve that position
- ✓ What can be done to manage the projected tax cash outflow

Our comprehensive checklist

can be used at any point in the year to keep you on track with planning your tax.



Checklist 1: The balance sheet

Ensure your financial affairs are **reconciled, accurate and reliable** month on month. Without this you cannot make any informed tax planning decisions. We recommend quarterly reconciliations and review of your balance sheet to properly ascertain future cash flow issues.

Keep this checklist handy and tick off the following:

- ☐ **Receivables** – so you know if you can write off any bad debts
- ☐ **Inventory** – so you know if you can write off, write down or revalue the stock
- ☐ **Investments** – to assess whether these can be sold to offset gains or losses
- ☐ **Outstanding tax liabilities**
- ☐ **Payables** – accrued for all liabilities
- ☐ **Provisions** – accounted for employee entitlements
- ☐ **Loans**
- ☐ **Bank accounts**
- ☐ **Directors and shareholders** loans and trust distributions to beneficiaries
- ☐ **Reconcile and review profit and loss** for all items that should be capitalised
- ☐ Prepare a **statement of net financial position** across a family trust group (taking into consideration the market value of assets, debts and other financial liabilities)
- ☐ Have **realistic profit/loss and cash flow forecasts** for the next 12 months. This will allow your advisor to identify opportunities to defer current liabilities if you are likely to be in a loss position in the next year
- ☐ **Clearly defined short (1 year) and long term (10 years) goals** so you can factor in changes in personal circumstances which may impact your financial position and potential earnings





Checklist 2: Maximise deductions

- ☐ **Debtors** – check to see if any debts can be written off as bad debts
- ☐ **Stock** – determine the best valuation for the year and write off or write down value where required
- ☐ **Repairs** – review and complete any repairs to workplace and/or equipment
- ☐ **Realise any unrealised losses** which can be used to offset capital or revenue income
- ☐ Consider making **charitable donations** (avoid making if you have a tax loss for the year)
- ☐ **Staff** – ensure staff bonuses are qualified and documented to enable the deduction to be claimed for bonuses accrued. Also pay accrued leave loading, even if leave was not taken Pay tax agent fees
- ☐ **Research and development expenditure** – ensure projects are registered, project plans are completed, and all eligible costs are included in claims for deductions
- ☐ **Superannuation** – pay Qtr 4 before year end so it can be claimed
- ☐ **Foreign exchange losses** – ensure these are realised so the deduction can be claimed
- ☐ **Directors' fees** – conduct a shareholders' meeting before 30 June to approve directors' fees
- ☐ **Depreciable Assets** – review the effective life of business assets
- ☐ Consider running any **staff training before 30 June**
- ☐ **FBT exempt work items** – consider purchasing before 30 June, such as laptops, mobile phones and other tools of the trade (FBT rules may apply)
- ☐ **Prepayments** – small business may be eligible for a deduction on prepaying expenses
- ☐ **Wages to family** – consider whether sufficient wages have been paid to family members working in your business.





Checklist 3: Reduce and defer income

- ☐ **Defer sales** to after 30 June
- ☐ Postpone the realisation of any **assessable gains** such as capital or foreign exchange until after 30 June
- ☐ **Defer the disposal/sale of an asset** that would result in a capital gain until after 30 June, providing there are no capital losses in the year which could be used to offset a capital gain
- ☐ **Consider CGT and/or depreciation rollover relief** where possible
- ☐ Recognise any **unearned revenue** on 30 June
- ☐ Consider whether **term investments** ought to be set to mature after 1 July rather than pre-30 June



Checklist 4: General personal tax matters

- ☐ Consider whether there is an **opportunity to prepay** interest, rental property expenses or other investment related expenses
- ☐ Ensure **Insurance Premiums are structured correctly** to maximise tax deductions
- ☐ Review **work related deductions** that may be industry specific and that can be claimed as a tax deduction
- ☐ Make sure your **motor vehicle logbooks or work-related travel diary** are up to date
- ☐ Consider making potential **tax-deductible donations**
- ☐ Consider **timing for sale of investments** owned personally



Checklist 5: Superannuation

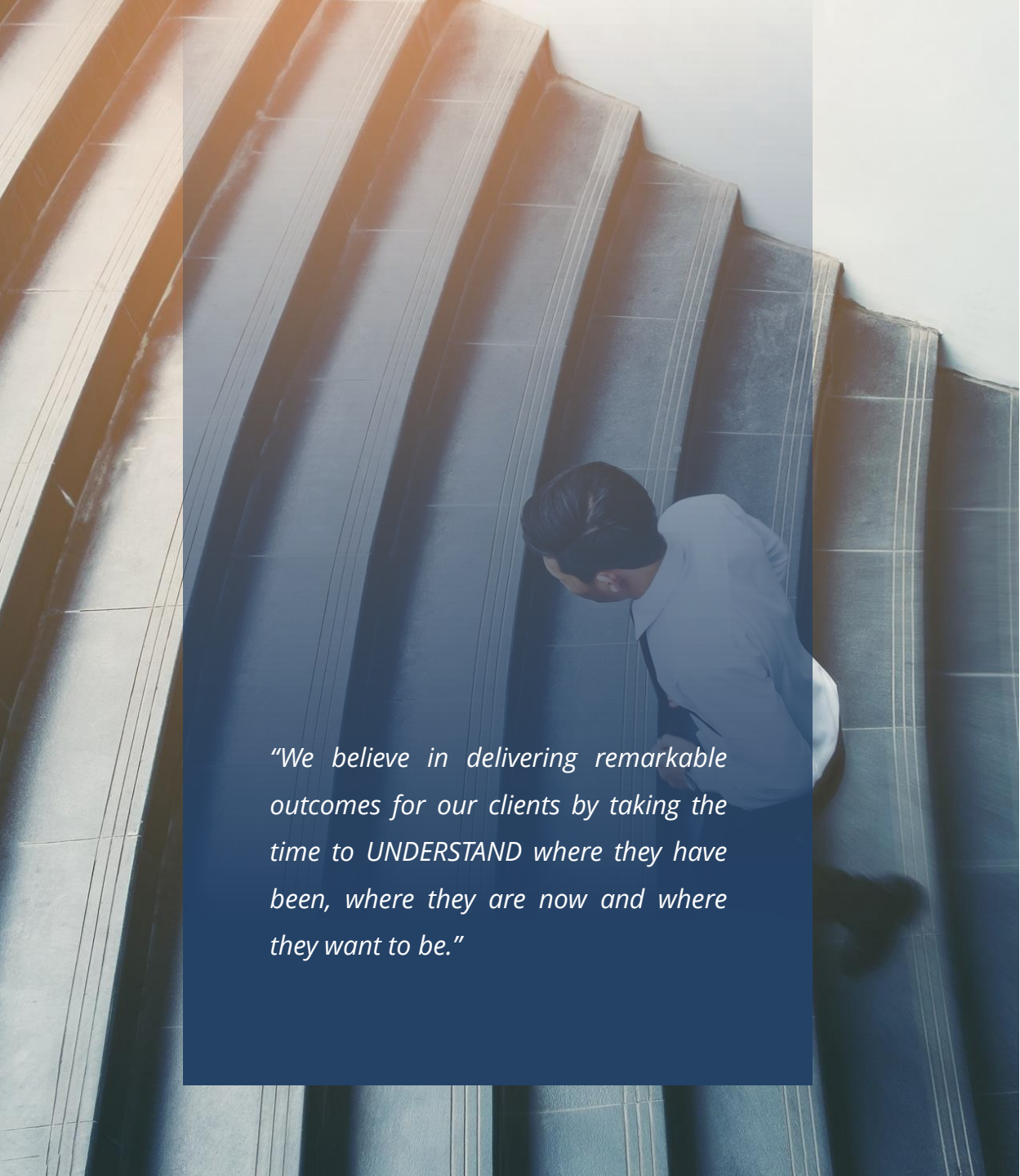
- ☐ **Concessional Contribution** – ensure you haven't exceeded the superannuation concessional contribution limits, which can vary each year
- ☐ **Non-Concessional Contributions** – ensure you maximise your contributions before 30 June



Checklist 6: Trusts

- ☐ Consider timing for **sale of investments** held by a trust
- ☐ Ensure all **trust income** will be distributed in the most effective manner
- ☐ Prepare and sign your **trust minutes** in accordance with the deed





"We believe in delivering remarkable outcomes for our clients by taking the time to UNDERSTAND where they have been, where they are now and where they want to be."

About Azure Group

Azure Group is an international Accounting and Business Advisory firm with a team of industry leading trusted professionals to help our clients achieve financial and business success. We uphold a reputation for being a proactive, hands-on firm that **delivers smart, innovative and revolutionary services to the demanding needs of today's business**. We attract, retain and develop people who show the same ethos and passion.

Outside of our offices in Australia and China, we understand the importance of having trusted advisors on the ground for our clients with an international reach. Our significant international technical expertise and presence in both Australia and Asia allows us to add value to the growing demands of international clients. Being a founding **member of International Alliance XLNC** has allowed us to offer our **clients reliable and convenient access to quality services through 82 member firms** located in 41 countries around the globe.





Plan for tomorrow by UNDERSTANDING today.

Our team are experts in supporting clients with effective Tax Planning Strategies and reviewing their affairs before 30 June each year.

We utilise our unique 4 tier tax methodology that covers structuring, planning, reconciliations and compliance management.



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