

SMART STRATEGIES FOR TAX TIME

June 22, 2011

As an accountant and Director of Dito+, it's Stephen Fechner's job to provide insights into end-of-year tax strategies for both individuals and business taxpayers.

"It's not too late to achieve tax savings before 30 June comes around," says Fechner. "It's all about getting the right advice for your financial situation and understanding what you can do to minimise your tax liability."

For Individual taxpayers who derive salary and wage income:

- Before 30 June, consider making super contributions. The government matches your voluntary contributions into super by up to \$1000 per annum (an income test applies). This is a great way to boost your retirement nest egg. Contributions to super funds are also an effective way to minimise your overall tax bill.
- For taxpayers aged over 55 who are working, a Transition to Retirement pension strategy is a great way to maintain your income levels, save tax and increase your retirement savings.

For business owners:

- The first thing to ask yourself is whether you have planned sufficiently to minimise your tax bill this year. Many businesses fail to address simple techniques that can save, or at least defer, tax.
- Small businesses operating on a cash basis can claim a tax deduction for expenses physically paid prior to 30 June. There is an opportunity to pay bills before the due date to bring forward the tax deduction, and you can also consider pre-paying business expenses.
- For accruals-based businesses, 'incurring' expenses is the key to maximising your tax deduction. Changing stock valuation methods can also be another way to lower your tax bill.
- For primary producers, farm-management deposits are another good way to defer tax and put some funds away for any future financially challenging times.

“Completing your tax return is no longer a simple process and claiming deductions that are incorrect, or missing out on claiming deductions or tax offsets that you are entitled to can be costly,” Fechner adds. The Australian Tax Office has made no secret that it is on an aggressive audit strategy, so consider using a registered tax agent to maximise your tax refund and ensure compliance.”

You can be assured of tax compliance by:

- Making sure you maximise the tax deductions you are entitled to claim for items such as travel, tools, mobile phones, uniforms, union fees, donations and income-protection insurance premiums.
- Ensuring all available tax offsets are claimed. Offsets are even more valuable than deductions and can be claimed for a variety of circumstances, including a financially dependent spouse, net family qualifying medical expenses over \$2000, low income and education costs, to name just a few.

“At Dito+ our experienced team of tax professionals are ready to answer your end-of-year tax-planning questions. We also have a specialist in self-managed super fund compliance on board,” concludes Fechner. “We look forward to helping you achieve the best results at tax time.”

• *Please note: This information is of a general nature and should not replace professional advice relevant to your personal circumstances.*

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