

**Having a tax plan in place before 30 June will help you make strategic decisions to maximise your returns. Here are some of our top tips for businesses.**

## Our top 8 Tax Effective Strategies for Businesses to Consider - (Small Business)

1. **Instant Assets Write-Off** Take advantage of the immediate tax deduction available for depreciating assets acquired and first used by 30 June 2023. The amount must be under \$150,000 exclusive of GST. Small and medium businesses, with turnover less than \$50 million, are also able to immediately write-off second-hand assets. [The tax depreciation rules return to normal from 1 July 2023, which includes the instant asset write-off for small businesses \(group-wide turnover below \\$10 million\) for depreciating assets costing less than \\$1,000. However, the government announced in the 9 May Budget their intention to legislate increasing the threshold to \\$20,000 for the period 1 July 2023 to 30 June 2024.](#)
2. **Superannuation** Super Guarantee (SG) contributions must be paid by 30 June 2023 to qualify for a tax deduction in the 2022-23 financial year. Also consider, topping up your voluntary superannuation. The concessional contributions cap is \$27,500 for all ages for the 2022-23 financial year. From 1 July 2023, the Superannuation Guarantee (SG) rate for compulsory superannuation contributions by employers will increase from the current [10.5% to 11%](#). The rate is applied to an employee's Ordinary Times Earnings
3. **Prepayments** If you are a small or medium business (aggregated turnover of less than \$50 million), you may be entitled to an immediate deduction for certain prepaid expenses where the goods or services will be provided within 12 months from the date of expenditure. Examples of items that may be deductible under the 12-month rule include subscriptions and prepayments of interest on a loan used for income producing purposes.
4. **Invoicing** Reviewing and postponing some of your invoicing for the current tax year. The ability of a business to defer income will depend on each business, cash flows and the type of income derived.
5. **Stock** Review your stock on hand and identify any obsolete stock. You should conduct a detailed physical stock take of all stock on 30 June. Retain your detailed stock sheets as part of your taxation records.
6. **Small Business Technology Investment Boost** Small businesses with an aggregated turnover of less than \$50 million will be able to deduct an additional 20% of expenditure incurred on certain type of expenditure in relation to external training and/or digital adoption.
7. **Temporary Loss Carry Back Tax** Eligible companies can claim a cash-refund offset in their 2022-23 tax return for tax losses (revenue only, not capital losses) incurred in the 2019-20 to 2022-23 income years. The company must have group-wide turnover below \$5 billion, and paid tax in any of the 2018-19 or later years. The losses can be "carried back" against those prior taxable years, but is claimed as a refundable offset on the 2023 tax return. [This is the last year this concession is available.](#) The amount of the offset generated by carrying back losses is limited to the amount of tax paid in the applicable prior years and the company's franking account balance at 30 June 2023. This is intended to operate in conjunction with Full Expensing of Depreciating Assets, which itself might be the cause for a company incurring a tax loss.
8. **Bad Debts** Review your debtors and write off any unrecoverable debts.

## Have you thought about....

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| ⇒ <b>Look at accounting for GST on a cash basis</b>              | ⇒ <b>Backing-up &amp; Securing your files</b>                  |
| ⇒ <b>Small Business Tax Concessions, Available to Businesses</b> | ⇒ <b>Interest Deductibility on Financing Business Expenses</b> |
|  | ⇒ <b>Small business restructure rollover</b>                   |