JKA Accounting Solutions
HELPING YOU MAKE MONEY AND SAVE ON TAX

Tax Planning for Salary and Wage Earners - 2017

Here are some tips to keep in mind as the end of financial year approaches. As always feel free to contact our team if you have any questions.

Salary Sacrifice to Your Superannuation Fund
This is a great way to reduce your tax if you are in a tax bracket of 20% or more because it enables you to place your pre-tax salary into super rather than having it taxed at your marginal tax rates. If you are on a current salary sacrifice arrangement, this may need reviewing on 1 July due to changes in legislation.

Income Replacement Insurance
We all know that in the event of illness or accident these things are put at risk if we don't have appropriate income protection insurance in place. For those clients who do not have this insurance, consider taking out before 30 June and get the full tax deduction in the current year. JKA can now assist clientss obtain this insurance.

Motor Vehicle Expenses
If you use your car for any work related purpose, you can claim up to 66 cents per kilometre up to 5,000 km travelled in a year. If you claim motor vehicle costs using a log book, it is important to keep it up to date and if more than 5 years old, commence a new one for at least a 12 week period.

Work Expenses

Bring forward your work related costs. Now is the time to look for receipts or credit card statements proving expenditure on work related items such as:
– Uniforms, tools of trade, Union Dues, memberships of professional associations or trade groups, telephone used for work purposes.
– Fees, travel and course materials for any courses undertaken that are related to your present work and will improve your ability to do that work.
– Food and accommodation for trips undertaken for work and not fully reimbursed.

If there are any items that can be paid prior to 30 June, do so in order to get your tax deduction.

Defer Income or Capital Gains.
If possible, arrange to sign contracts for sale of shares or property which are giving positive returns after 30 June 2017. Of course, we understand this is not always possible, but deferring income or capital gains into the next financial year is a sound strategy.

If you normally receive a bonus or commissions, get these deferred until after 30 June.

Quantity Surveyors Report for Investment Properties
The tax office won't accept estimates on values by you, accountants, or real estate agents. They will accept a Quantity surveyor's estimates. Their report lists claims you can make for depreciation and the cost of constructing the building itself. The cost of these reports is generally recovered several times over in the first year by the tax savings they generate. The cost is also tax deductible. The depreciation benefits are less so for older properties, therefore may not be beneficial in these instances.

Sell Loss Making Investments
If you have an investment that has lost money, and other investments which may have made a gain, then selling the loss making investment will help reduce the tax on any gain. If you feel the investment will turn around later you can always buy it again.

Prepay Expenses
Expenses on rental properties or investments can be pre-paid before 30 June. Therefore, you can pay for expense such as repairs, pest control, cleaning, tree lopping etc. before the end of the financial year.