

2020 End of Year Tax Planning Checklist - Business



End of financial year is coming up quickly, but there's still time to get your tax in order.


We've put together the best strategies for your end of financial year tax planning, whether you're a business or an individual.

	If you	You may want to	So you can	✓
Count your stock	Have a business that holds stock	Ensure you do a stocktake on 30 June and keep a record of the market, cost and replacement values	Use the value which gives you the best tax outcome possibly saving you tax, or deferring paying tax	
Write off obsolete stock	Have a business that holds stock	Write down or dump obsolete or damaged stock prior to 30 June	Save paying tax on stock you don't actually have!	
Pay staff super	Employ staff	Pay their April – June super before 30 June 2020. The funds must reach their super accounts before 30 June 2020.	Bring forward your tax deduction to 2020	
Single Touch Payroll (STP)	Employ staff	Perform the End of year finalisation of your payroll in your STP software. Advise employees their income details are on myGov	Ensure you are not penalised for late lodgement Advise employees that they can complete their tax returns	
Taxable Payments Annual Report	Operate in one of the following industries: <ul style="list-style-type: none"> • Building & construction • Cleaning services • Courier services • Road freight services • IT services • Security, investigation or surveillance services And make payments to contractors	Ensure that you have completed and lodged your report prior to 28 August 2020	Ensure you are not penalised for late lodgement	

This information is of a general nature only and neither represents nor is intended to be specific advice on any particular matter. Bentleys strongly suggests that no person should act specifically on the basis of the information contained herein but should seek appropriate professional advice based on their own personal circumstances.

➤ Advisors ➤ Accountants ➤ Auditors

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Instant asset write-off	Operate a “small business” (turnover less than \$500M)	Claim a deduction for the business portion of each asset (new or second hand) purchased and first used or installed ready for use, up to the following thresholds: <u>Turnover less than \$50M</u> \$30,000, from 7.30pm (AEDT) on 2 April 2019 until 12 March 2020 <u>Turnover less than \$500M</u> \$150,000 and first used or installed ready for use from 12 March until 30 June 2020	Continue to expand and improve your business with new or second-hand assets	
Prepare some estimates	Have business or investment income varied from last year. Have your children or other beneficiaries turned 18 or had a significant change in income since last year	Contact our office before 30 June so that interim estimates can be prepared for the 2020 financial year before it ends	Take any actions necessary to increase or decrease your income where possible to minimise tax payable Ensure you know what your tax position is so that the correct amount of tax is set aside Vary your June 2020 PAYG instalment to help cashflow if profit is down	
Prepay expenses	Operate a “small business” (turnover less than \$10M)	Prepay expenses for up to 12 months	Bring forward your tax deduction to 2020	
Trustee’s distribute income	Operate your business or own investments in a trust	Keep an eye out for your end of year distribution resolution that will be sent to you in the next few weeks	Ensure profits are distributed in the most tax effective manner Meet the ATO’s requirements that this resolution be made prior to 30 June 2020	
Update your assets	Have depreciating assets not in an asset pool	Check the list of assets provided with last year’s financial statements and advise of any items that have been destroyed or sold	Claim a tax deduction for the balance of the asset value this year	
Write off bad debts	Have debtors who have not paid their accounts, have been chased and are not likely to pay	Write off the debt in your books prior to 30 June 2020	Claim a tax deduction for the bad debt this year	