

Complete Commerce

Completing your business picture.



TAX TIPS 2011



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With the 2010/2011 tax year almost over it's a good idea to consider how you can legally minimise the tax that you have to pay. There are no magic solutions to get rid of tax, but here are some things to consider that might help your tax situation:

SUPERANNUATION – Help out your retirement and save some tax.

If your business has gone well this year and a tax bill is looming, you may wish to consider putting extra money into superannuation. Payments to a complying super fund are fully tax deductible and are only taxed at 15% in the super fund, offering quite a large saving compared to most marginal tax rates. The best part of this deduction is that the money remains yours, locked away for you to use when you retire. When considering this, keep in mind that the maximum total super contribution (including the standard 9%) is \$25,000 for those under 50 years of age, and \$50,000 for those 50 or over.

GOVERNMENT CO-CONTRIBUTIONS – Finally the government pay you!

If your income is below certain thresholds and you make a payment to a complying superannuation fund (and no tax deduction has been claimed on this amount), the government will match these contributions into your super fund to help boost your money for retirement. The maximum contribution they will make is \$1,000 depending on the amount that you put in and your taxable income. See the table below to work out your potential co-contribution.

	Lower income threshold	Higher income threshold	What will I receive for every \$1 of eligible personal super contributions?	What is my maximum entitlement?
From 1 July 2009 until 30 June 2012	\$31,920	\$61,920	\$1, up to your maximum entitlement.	Your maximum entitlement is \$1,000. However, you must reduce this by 3.333 cents for every dollar your total income, less allowable business deductions, is over \$31,920, up to \$61,920.

MEDICAL EXPENSE REBATE – Something back on those annoying medical bills.

One of the most forgotten tax offsets is the government's 20% tax offset on out of pocket medical expenses over \$2,000. This includes all medical expenses for your immediate family i.e. your spouse and dependants if applicable. Medical expenses include all normal medical expenditure but also include payments for items such as prescription medication, laser eye surgery, IVF payments and nursing home expenses. So have a look through your medical receipts each year and if they total more than \$2,000, send the appropriate details to us at tax time and we will be able to make a claim for you.

PURCHASE OF ASSETS – Help your business, save some tax!

If you are running a small business and your turnover is less than \$2 million, you are able to claim immediate deductions for assets that cost less than \$1,000 (gst exclusive price). Therefore if you need some new tools, new plant and equipment or some office furniture etc, it is a great idea to purchase them now. If you wait til July you'll have to wait a year for the tax deduction.

EDUCATION TAX REFUND – Some relief from the kids' school expenditure.

If you are claiming Family Tax Benefit for your child, you may be entitled to the ATO's Education Tax Refund. The Education Tax Refund provides up to 50% back on a range of children's education expenses. For the 2010–11 tax year refunds may be as much as \$397 for every child at primary school, and up to \$794 for every child at secondary school.

Eligible expenses include the cost of buying, establishing, repairing and maintaining any of the following items:

- home computers and laptops and computer-related equipment such as printers, USB flash drives, and disability aids to assist in the use of computer equipment for students with special needs;
- home internet connections;
- computer software for educational use;
- school textbooks and other printed learning material, including prescribed textbooks, associated learning materials, study guides and stationery; and
- prescribed trade tools for secondary school trade courses.

If you should have any queries about the above information or would like to discuss your tax position at any time, please do not hesitate to contact us.



Contact us

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