Never to early too be tax-ready

It's really important to consistently focus on how to improve your personal finances. But good intentions aside, there's nothing like a deadline and the end of the financial year (EOFY) is one of the key dates to aim for when it comes to tax planning.

June 30 is a really important deadline to keep in mind to ensure you are taking advantage of all incentives and initiatives available to get the most out of your super, to reduce the tax you pay and to structure your affairs in the best possible way for the new financial year.

It's worth understanding some of the important steps to take at this time of the year to enhance your financial situation.

Here are some strategies to consider.

Tax Deductions

If you are an eligible small business, bringing forward post-July expenses to June can help you claim a deduction this financial year. Some ways you can do this are:

Buy a business asset

Bringing forward the purchase of your new vehicle, machine or equipment to before 30 June can give you the change to get an instant deduction. Most new business assets costing less than $20,000 bought before 30 June 2017 will quality for this benefit.

If you are expecting a lower income next year you can bring forward your deductions to this tax year. Consider stocking up your home office with stationery, laptops or printers.

Prepay your business costs

Paying your business expenses early can help claim a deduction this year, so long as you meet the rules. Some costs you can consider prepaying are professional subscriptions, insurance policies and utilities.

You can also prepay interest on rental properties for up to 12 months.

While these are the more common strategies, there are many more that may apply to you depending on your circumstances. Starting the conversation with us sooner rather than later will give you the best chance of building your nest egg before the end of the financial year.

Working from home

Record the times you work from home to claim for the work-related portion of your home phone, internet, stationery, computer equipment and printers. Keep a diary of the times you work from home and you can also claim a $0.45 per hour deduction for electricity.

Get your paperwork in order

Good record keeping makes good business sense, no matter what time of year. It helps you keep track of how your business is going, makes it easier to claim deductions and find documents to apply for finance. Some records you need to keep are:

- Receipts for sales and purchases
- Documents relating to GST
- Records related to tax returns, activity statements and employee super contributions.

Write off bad debt

If you have customers who are unlikely to pay you in the new financial year, it may be time to write them off as a bad debt. You typically need to write off your bad debts before 30 June. Make sure you keep a record of what the debts are and the actions you have taken to recover the debt to meet tax office requirements.

Pay your employees' super the right way

Make sure your employees' super contributions are in order. You need to pay your employees' super on time and in a way that is SuperStream compliant. You may also want to consider bringing forward any employees' super payments due in July, so you can claim the deduction this year.

Don't miss tax deadlines

It can be easy to miss the due dates for lodging your tax return, pay as you go (PAYG) and business activity statements (BAS). Marking these dates inyour calendar can save you stress one it is tax time.

Fill out your car log book

If you use your car for work purposes, keep a 12 week log book. Keep all costs associated with the running of your car for the whole year, not just the log book period.

Super top-up

No matter your income level, superannuation is a great tax-reduction tool. You can contribute up to $30,000 to super ($35,000 for those aged over 49) at a concessional rate. If you earn under $35,454 take advantage of the superannuation co-contribution by putting in $1000, which the government will match by half. Free money! Also, if you earn less than $10,800 your spouse can put up to $3000 into your super fund and they will receive the full 18% spouse contribution rebate ($540).

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