



Accounting & Business Services

Public Accountant and Registered Tax Agent

END OF YEAR PLANNING

2025 Action Plan



Our Associate Companies



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We are releasing year-end tax tips, mainly focusing on tips that will help you minimize your taxes. On behalf of the S & S Accounting and Business Services team, I would like to express our heartfelt gratitude to every one of our clients personally. Your trust in us and your continuous support for our business drive us forward and make us feel valued. As in previous years, we eagerly anticipate serving you in the upcoming tax sessions in 2025.

The next tax session is approaching soon. Hence, we would like to inform all our clients to prepare for the coming tax session before the end of June 2025. The following points will help you plan your personal or business tax savings. Please take a few minutes to read year-end tax tips that may help you plan your taxes on time.

As we approach the end of the financial year, we reflect on the challenges and successes of the past year. We extend our gratitude to all our close friends, families, and business networks who have been instrumental in our growth and service to our clients in 2024. We understand the difficulties you may have faced, and we deeply appreciate your resilience in navigating through them.

It is hard to believe that the end of the financial year is within sight. Below are some important tax planning opportunities to consider in the lead-up to 30 June 2025.

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1. Home office expenses

If you have been working from home, you may have a **tax deduction for which you can claim**. The ATO allows you to claim using a “**Fixed Rate Method**” (\$0.67 per work hour) for 2025. This amount covers most expenses from working from home, and you need to keep a detailed record of how you calculated the number of hours you are claiming. You can also claim expenses using an “Actual Cost” method, so please keep all invoices and receipts during the entire year to prove all claims.

2. Deductible super cap of \$30,000.00 for everyone

The tax-deductible super contribution limit (or “cap”) is \$30,000.00 for all individuals under age 75. Individuals need to pass a work test if they are over age 67.

To save tax, consider making the maximum tax-deductible super contribution this year before 30 June 2025. This strategy has the advantage that superannuation contributions are taxed at 15% to 30% compared to typical personal income tax rates of 32.5% and 47%.

3. Carried forward super contributions



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Carry-forward contributions are not a new type of contribution; they are new rules that allow super fund members to use any of their unused concessional contributions cap on a rolling basis for five years.

You can carry forward unused cap amounts from up to 5 previous financial years, including when you were not a member of a super fund. **Unused cap amounts are available for 5 years and expire after this.**

If you don't use the full amount of your concessional contribution cap (\$25,000 for 2021 and \$27,500 from 2022 to 2024), you may qualify to carry forward the unused amount and take advantage of it up to five years later.

Carry-forward contributions are calculated on a rolling basis over five years, but any amount not used after five years expires. These carry-forward rules only relate to concessional contributions into super, not non-concessional contributions, as they have different caps.

The rules state that where an individual's Total Superannuation Balance is less than \$500,000 as of 30th June of the previous financial year, they may be able to use this measure.

4. Spouse super contributions

You can make **super contributions on behalf of your spouse** (married or de facto), provided you meet eligibility criteria and your super fund allows it. This is known as contribution splitting.

Doing this not only helps to boost your spouse's retirement savings, but it can also help you save tax if your spouse has limited income.

You may be eligible for a tax offset of up to \$540 on super contributions of up to \$3,000 that you make on behalf of your spouse if your spouse's income is \$37,000 p.a. or less.

The offset gradually reduces for income above \$37,000 p.a. and completely phases out at \$40,000 p.a. and above.

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5. Additional tax on super contributions by high-income earners

The income threshold at which the additional 15% ('Division 293') tax is payable on super \$250,000 p.a. Where you must pay this additional tax, making super contributions within the cap is still tax-effective.

With super contributions taxed at a maximum of 30% and investment earnings in super taxed at a maximum of 15%, both these tax points are more favorable when compared to the highest marginal tax rate of 47% (including the Medicare levy).

6. Government co-contribution to your super

Suppose you are on a lower income and earn at least 10% of your income from employment or carrying on a business and make a "non-concessional contribution" to super. In that case, you may be eligible for a government co-contribution of up to \$500.

The government will contribute 50c for every \$1 you contribute up to a maximum of \$500. If eligible and you earn between \$45,400 and \$60,400 in the 2024-25 financial year, you may still receive a partial co-contribution. However, the more you earn, the less co-contribution you'll receive.

7. Ownership of investments

Reviewing the ownership of your investments can be a longer-term tax planning strategy. Any change of ownership needs to be carefully planned due to capital gains tax and stamp duty implications. Please seek advice from your accountant before making any changes.

Investments may be owned by a Family Trust, which has the key advantage of providing flexibility in distributing income annually and allowing up to \$416 per year to be tax-free to children or grandchildren.

8. Property depreciation report

If you have an investment property, a Property Depreciation Report (prepared by a Quantity Surveyor) will allow you to claim depreciation and capital works deductions on capital items within and on the property itself.

The cost of this report is generally recouped several times over by the tax savings in the first year of property ownership.

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9. Motor vehicle logbook

Ensure you have kept an accurate and complete Motor Vehicle Logbook for at least 12 weeks. The start date for the 12 weeks must be on or before 30 June 2025. You should record your odometer reading as of 30 June 2025 and keep all receipts/invoices for your motor vehicle expenses. Once prepared, a logbook can generally be used for five years.

An alternative (with no logbook needed) is to simply claim up to 5,000 business kilometres (based on a reasonable estimate) using the **cents per km method**.

10. Sacrifice your salary to super

If your annual income is \$45,000, salary sacrifice can greatly boost your superannuation and pay less personal tax. You may save tax by putting pre-tax salary into super rather than taxing it as normal income at your marginal rate. This can be especially beneficial for employees nearing their retirement age.

11. Prepay expenses and interest

Expenses relating to investment activities can be prepaid before 30 June 2025. You can prepay up to 12 months of interest before 30 June on a loan for a property or share investment and claim a tax deduction this financial year. Also, other expenses in relation to your investments can be prepaid before 30 June, including rental property repairs, memberships, subscriptions, and journals.

If you are an individual, your prepaid non-business expenditure is immediately deductible under the 12-month rule where: – the eligible service period for the expenditure is 12 months or less, and – the period ends no later than the last day of the income year following the year in which the expenditure was incurred.

12. Insurance premiums

Possibly, your greatest financial asset is your ability to earn an income. Income Protection Insurance generally replaces up to 75% of your salary if you cannot work due to sickness or an accident. The insurance premium is normally tax-deductible, plus you benefit from protecting your family's lifestyle if you cannot work due to sickness or an

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accident. It's a small price to pay for peace of mind. Like rental property interest, income protection premiums can be pre-paid for 12 months to increase deductions.

13. Work related expenses

Remember to keep receipts for work-related expenses such as uniforms, training courses, and learning materials, as these may be tax-deductible.

14. Realise capital losses

Tax is normally payable on any capital gains. You should consider selling non-performing investments before 30 June 2025 to crystallize a capital loss and reduce or eliminate any potential capital gains tax liability. Unused capital losses can be carried forward to offset future capital gains.

15. Defer investment income and capital gains

If practical, arrange for the receipt of Investment Income (e.g. interest on term deposits) and the Contract Date for the sale of Capital Gains assets, to occur AFTER 30 June 2025.

The Contract Date (not the Settlement Date) is generally the key date for working out when a sale or purchase occurred.

Income Tax Brackets Australia: 2024-25

The tax brackets have remained unchanged between the financial years of 2019-20 to 2024-24. For this current financial year, the tax brackets depending on your income are:

Taxable Income	Tax on this Income	Marginal tax rate
\$0–\$18,200	Nil	0%

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\$18,201–\$45,000	16c for each \$1 over \$18,200	16%
\$45,001–\$135,000	\$4,288 plus 30c for each \$1 over \$45,000	30%
\$135,001–\$190,000	\$31,288 plus 37c for each \$1 over \$135,000	37%
\$190,001 and over	\$51,638 plus 45c for each \$1 over \$190,000	45%

In financial terms, this means an Australian earning \$40,000 a year, who was a resident for the entire year, would be taxed approximately \$3,488.00; an Australian making \$80,000 would be taxed roughly \$14,788.00; while an employee making \$100,000 (again, as a full-time resident for the entire year) would be taxed an approximate \$20,788.00.

It's important to note that the above rates do not include the [Medicare levy](#) of 2%.

Of course, your tax may vary depending on other factors such as your deductions, any tax exemptions you may be entitled to, and other investments that you may be taxed on such as foreign income. This is why the tax amounts above are simply an estimate, rather than a definite indicator.

Business Tax Planning 2025

Is your business a "Small Business" Entity?

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Small businesses can access a range of tax concessions from the ATO. To qualify as a “Small Business Entity”, the business must have an aggregated turnover (your annual turnover plus the annual turnover of any business connected/affiliated with you) of less than \$10 million and be operating a business for all or part of the 2025 year.

Lower Company Tax Rates

The 2025 company tax rate for businesses with less than \$50 million turnover is 25%, if 80% or less of a company’s assessable income is “passive income” (such as interest dividends, rent, royalties, and net capital gains).

If you use a Trust structure, one strategy is to allocate profits to a “Bucket Company” and cap your tax at 25% for the 2025 year. Note that this company must qualify as a “base rate” entity to be eligible for the lower 25% company tax rate. Please discuss whether your company will qualify.

You should buy these items before 30 June 2025.

Repairs and maintenance

Make payments for repairs and maintenance (business, rental property, employment) before 30 June 2025.

Pay employee superannuation NOW.

To claim a tax deduction in the 2025 financial year, you must ensure that the super fund or the Small Business Superannuation Clearing House (SBSCH) receives your employee superannuation payments by 30 June 2025.

You should avoid making last-minute superannuation payments, as processing delays may cause them to be received after year-end. If, for any reason, you end up having to make last-minute payments and you would like to claim them as deductions for the current year, contact us immediately and before you make any payments for possible resolutions.

Defer income

If possible, defer issuing further invoices and receiving cash/debtor payments until after 30 June 2025. This strategy pushes tax payable to future years.

Bring forward expenses

Purchase consumable items before 30 June 2025. These include marketing materials, consumables, stationery, printing, office, and computer supplies. Spend the money now and get the deduction this year.

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Defer investment income and capital gains.

If possible, arrange for the receipt of Investment Income (e.g., interest on Term Deposits) and the Contract Date for the sale of Capital Gains assets to occur AFTER 30 June 2025.

The Contract Date is generally the key date for working out when a sale occurred, not the Settlement Date

Motor vehicle logbook

Ensure you have kept an accurate and complete Motor Vehicle Logbook for at least 12 weeks. The start date for the 12 weeks must be on or before 30 June 2025. You should make a record of your odometer reading as at 30 June 2025 and keep all receipts/invoices for motor vehicle expenses.

An alternative (with no log book needed) is to claim up to 5,000 business kilometers (based on a reasonable estimate) using the cents per km method.

Investment property depreciation

If you own a rental property and haven't already done so, arrange for the preparation of a Property Depreciation Report to allow you to claim the maximum amount of depreciation and building write-off deductions on your rental property.

Private company ("DIV 7A") loans

Business owners who have borrowed funds from their company in previous years must ensure that the appropriate principal and interest repayments are made by 30 June 2025. Current-year loans must be either paid back in full or entered into a loan agreement before the due date of lodgement for the company return, or risk having it counted as an unfranked dividend in the individual's return.

Year-end stocktake/work in progress

If applicable, you must prepare a detailed Stock Take and/or Work in Progress listing as of 30 June 2025. Review your listing and write off any obsolete or worthless stock items.

Tell us about your different options for valuing Stock and how they affect your tax payable.

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Write-off bad debts

Review your Trade Debtors listing and write off all bad debts BEFORE 30 June 2025. Prepare a management meeting document listing each bad debt as evidence that these amounts were written off prior to year-end, and enter these into your accounting system before 30 June 2025.

Small business concessions - prepayments

Under the “Small Business Concession,” taxpayers can make prepayments (up to 12 months) on expenses (e.g., loan interest, rent, subscriptions) BEFORE 30 June 2025 and obtain a full tax deduction in the 2025 financial year.

How does a small business's \$20,000 tax break work?

Under the instant asset write-off, eligible businesses can immediately deduct the full cost of eligible assets under \$20,000 if they are first used or installed by the end of June 2025. To qualify for the scheme, a business must have an annual turnover of less than \$10 million

Trustee resolutions

Ensure that the Trustee Resolutions are prepared and signed BEFORE 30 June 2025 for all Discretionary (“Family”) Trusts. ***The ATO has recently released several Tax Rulings that may affect trust distributions to adult children, so Tax Planning for 2025 will be vital for anyone using a Family Trust.***

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