

June 30 tax tips

from Dr Steven Enticott

Co-contributions for super is something you should **DO**. Yes the government reduced the matching rate to 50% (meaning a 50% return on your money instead of a 100% return!!) and lowered the amount to \$500 and... the income threshold is down to remain eligible yet It is still money from the ATO into your super fund!

You must earn below an income (plus FBT) of \$48,516 to partly qualify, [refer to the ATO site](#).

Businesses: prepay your expenses where you can and don't be too hasty getting out your invoices prior June 30 if it's been a great income year.

Stocktakes: if you have stock you will need to do that dreaded count!

Super contributions: to be claimed in this tax year they need to be paid before June 30 and yes in most cases you should contribute to super for example; an average earner in their 50's saves 16.5% of tax on their contribution so even if they put the money into the safe cash option of the fund they have already had one great investment return.

Individuals: make sure you have 'paid' for all your work related expenses prior to June 30; bring ones forward if you can!

Made a **capital gain** during the past year, for example, the sale or part sale of a business (including investments the business has made), shares or a property. If the answer is a 'yes' then you should be thinking about your options for managing the CGT liability. Start by looking for capital losses to offset the CGT liability (or losses carried forward from prior years) and consider selling in the current year before June 30 to offset gains – call us to discuss other methods.

Goodbye Medical Expense offset: currently if your medical out of pockets expenses exceed \$2,060... you are rebated 20%... However, if you didn't claim the rebate in the 2013 tax year you never can, if you do the rebate will be phased out for you over the next 2 years.

New Medicare levy surcharge and Rebate Reduction income tests

To determine the rate of Medicare levy surcharge that applies or the amount of rebate you are entitled to, [refer to the ATO site](#).

- Singles above \$88,000
- Families above \$176,000

Superannuation: some good news for those aged 60 on 30 June 2013 the concessional cap payments into super (**for 2014 tax year**) is \$35,000 and for those above 50 as well in the following year (**2015**) and for the rest of us we can contribute \$30,000 from 1/7/14 per year. For those of us under the age of 60 in the 2014 year we can contribute the old maximum of \$25,000.

From 1/7/14 for the under 65's we can contribute \$180,000 Non-Concessional each year and put up to 3 years in at once. For over 65's we need to pass the work test and can only put one year in at a time. For the 2014 financial year the maximum is \$150,000 Non-Concessional per year.

Don't forget: Sunglasses, hats and sunscreen for taxpayers that work in any outdoor occupation (including driving) as they are tax deductible, however they cannot be claimed unless you keep the receipt!

Claim Everything: This one's a bit tongue in cheek, though correctly claiming expenses is your Accountant's expertise, your job is to think of absolutely anything that has a connection with your incomes and let them measure the legality!!

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