

 **HotDoc** | CPD WEBINAR


Tax Time Tips for Your Practice




PRESENTED BY

Kelly Chard

**GROWTH
MD+**



**Thu 01 June
12:30pm AEST**

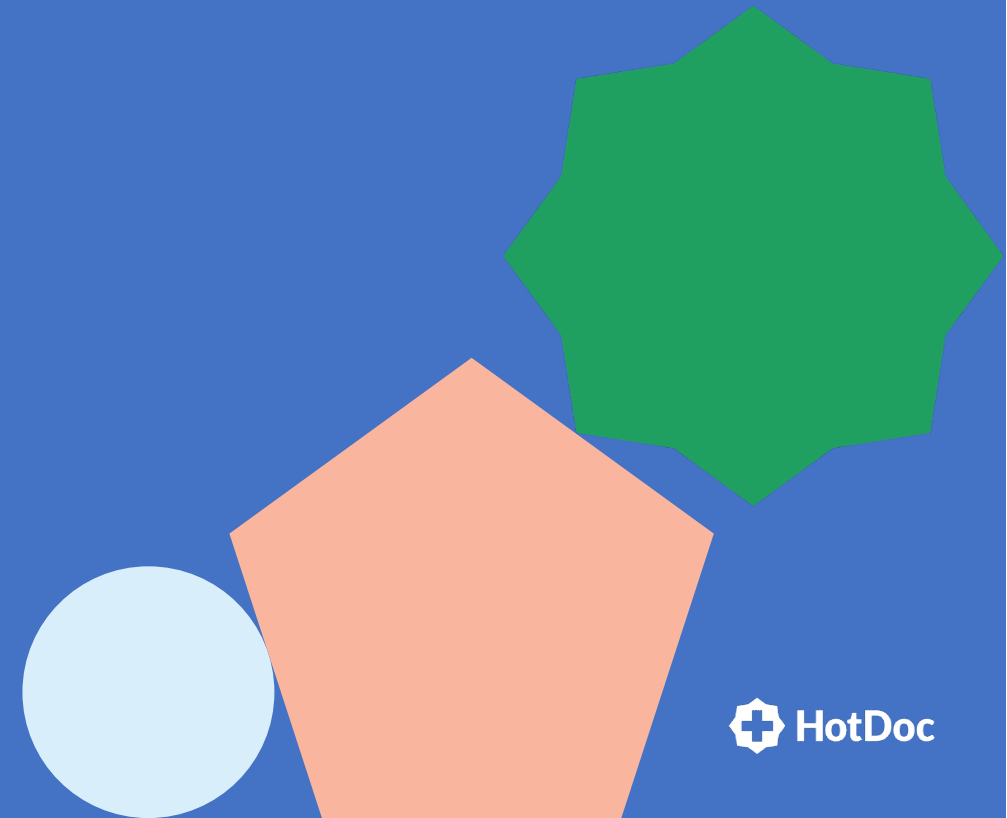


In the spirit of reconciliation, HotDoc acknowledges the Traditional Custodians of country throughout Australia and their connections to land, sea and community.

We pay our respect to their elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

Before we begin:

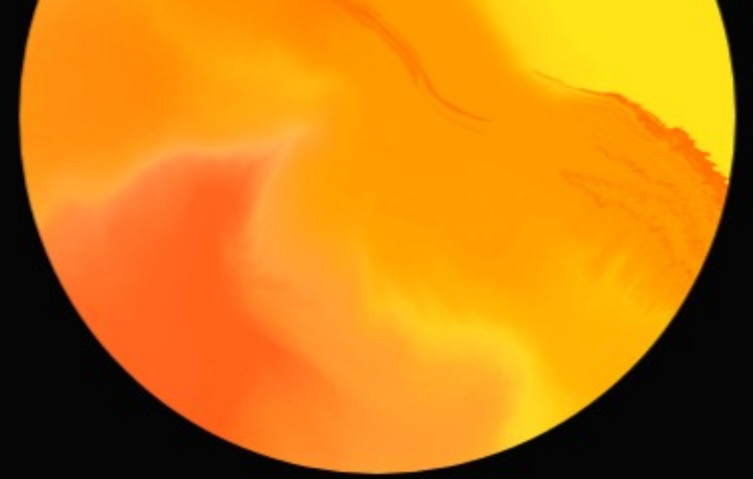
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- Use the Ask Question tool throughout the session





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Today's Topics



- EOFY Basics
- Assets & Equipment
- Small Business Tax Incentives
- Salary Packaging & EVs
- ATO - Hot Focus Areas
- Practice EOFY Checklist
- Q & A

Project First Plan Second

Tax planning is 100% legal.

It is the process where you analyse your financial situation and arrange your affairs (within the legislation) to keep your tax at a minimum.

Start with a projection of your 2023 FY profit.

If profits are slim or you have a loss, tax planning may be less important or you may wish to utilise the "loss carry back".

If taxable profit is high, EOFY actions may be more important. EOFY actions should always take cash flow into account.



Assumptions

- Turnover under \$50 Million
- Profit Position at 30 June 2023
- Running an Australian Business





- Pay Expenses, Push Income
- Make Eligible Prepayments
- Review Debtors, Process Write Offs
- Stock Count & Review If Saleable
- Small Gifts or Staff Bonuses
- Superannuation (By 24th June)

Prepayments

- Rent (particularly if related party)
- IT Maintenance Contracts
- Interest
- Subscriptions
- Accounting Fees

General Expense Payments

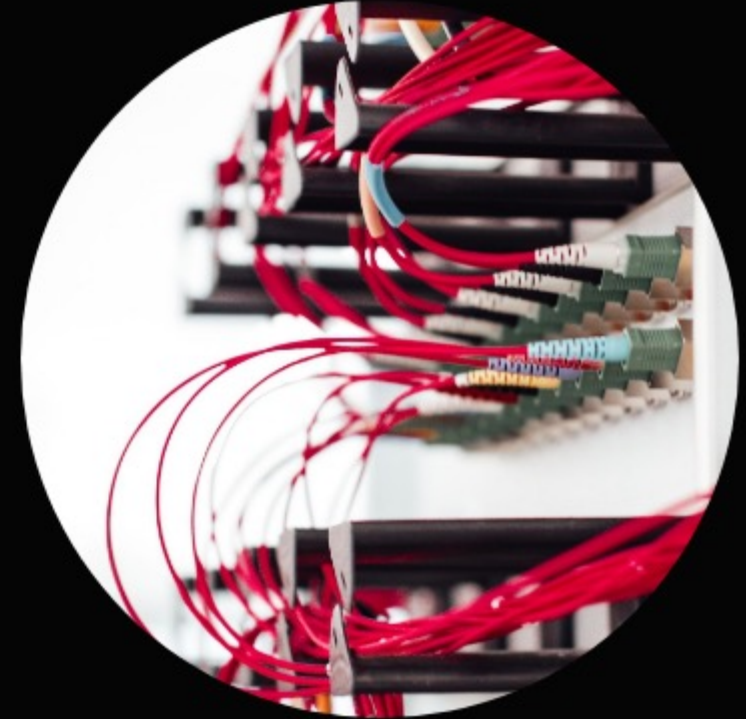
- Uniforms
- Flights, Conferences, Travel
- Donations
- Technology Costs
- Insurances

Expenses



Assets

- Temporary Full Expensing (TFE) is ending 30 June 2023
- \$20,000 Immediate Write Off from 1 July 2023
- Assets must be held / in-use to be deductible
- Combine TFE with Technology Boost ↑ Deductions
- Immediate Write Off v Normal Depreciation is a timing difference



- Expenditure to digitise your business
- Expires 30 June 2023
- Extra 20% tax deduction
- \$100,000 claim cap
- Max \$20,000 bonus deduction
- Broad application
- No new expenditure necessarily needed
- Grant monies for digital health capability
- Expenditure from 29 March 2022 is eligible to claim in the 2023 tax return
- Ask your accountant to claim

Technology Boost



What Qualifies?



Digital or digitalising operations

Computer and telecommunication hardware and equipment, software, systems and services that form and facilitate the use of computer networks

E.g. upgrading IT systems and networks, cloud application subscriptions.



Digital media & marketing

Audio and visual content that can be created, accessed, stored or viewed on digital devices

E.g. Google Ads, Facebook advertising video or photo brand stories.



E-Commerce

Expenditure supporting digitally ordered or platform enabled online transactions

E.g. Selling product or services via the internet



Depreciable assets

Must be installed and ready for use by 30 June 2023

E.g. Computers, servers, phones.

Must hold the asset beyond 30 June 2023.

- Eligible training expenditure for employees
- Expires 30 June 2024
- Extra 20% tax deduction
- Must be conducted by an external RTO
- Invoiced directly to the business
- Expenditure from 29 March 2022 is eligible to claim in 2023 tax return

Examples

- Diploma of Practice Management
- Infection Control Course
- Emerging Leaders Training
- First Aid and CPR Courses
- Medical Receptionist Training

Skill & Training Boost



Skills & Training Boost

Employee



Non-employee owners



Contractors



Customer Practitioners



Win Win Situation

- Grant Funding
- ⊕ Temporary Full Expensing, And/Or
- ⊕ Small Business Incentive Boosts
- ≡ Happy Accountant, Happy Taxpayer



Electric Vehicles



- From 1 July 2022 eligible EVs are exempt from Fringe Benefits Tax
- FBT is a tax on employer-provided non-cash benefits
- Eligible vehicles are zero or low emission (e.g. plug in hybrids)
- Car must be under LCT (\$84,916 inc GST in 2023)
- Must be used by employee, director or associate

Example

- Sally is a General Practice Business/Ops Manager on a salary of \$100,000 + super per annum
- Lucy, the Business Owner flags Sally is essential to the business and wants to look at other ways to retain Sally, without necessarily increasing her wage
- Lucy knows Sally is interested in buying a new car soon and would like to offer a salary packaging benefit
- Sally purchases a 7 seat Mitsubishi Eclipse for \$60,000 including GST, financed over 5 years



Electric Vehicles



	NO SALARY PACKAGING	SALARY PACKAGING
Sally's Original Salary	\$100,000	\$100,000
LESS MV Repayments & Running Costs paid for Sally's benefit	\$0	(\$17,920)
Cash Salary (pre tax)	\$100,000	\$82,080
LESS PAYG Withholding	(\$25,012)	(\$18,824)
Net Pay to Sally	\$74,988	\$63,256
LESS MV Costs Paid	(\$17,920)	\$0
NET REMUNERATION IN SALLY'S HANDS	\$57,068	\$63,256
TAX SAVING		\$6,188
Equivalent to extra salary		\$9,447 + Super

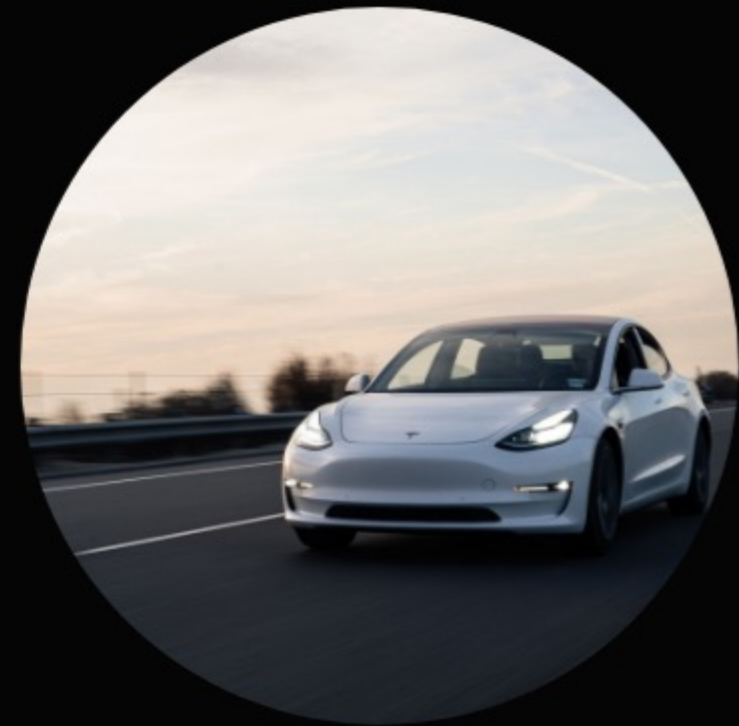
Salary Packaging EVs

- Employee enters into a lease agreement with the bank/financier
- Employee and employer enter into a salary sacrifice arrangement
- Under the arrangement, the employer makes repayments from the employees pre-tax salary
- Lease repayments and GST are deductible to the employer
- The vehicle and the lease **remain with the employee** if they leave employment



Owners & EVs

- FBT Free - no private use calculation each year & no log book required
- Approx \$4,000 per year tax saving (at 25% rate, much higher at 47% rate)
- Normal asset write off rules apply up to car limit of \$64,741 (2023 year)
- Interest & running costs claimed as normal



- Work-Related Expenses - Industry Benchmarking & data matching
- Non-Commercial Income - Holiday Homes
- Rental Property Claims
- Share & Crypto Sales - Data Matching
- GST Registrations - Where Not Eligible
- Interest Deductions
- Loans to Shareholders (Div7A)
- Trust Distributions to Adult Children (S100A)

ATO Focus Areas



EOFY Practice Checklist

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 **2023 EOFY Checklist**

EOFY Expenditure Checklist

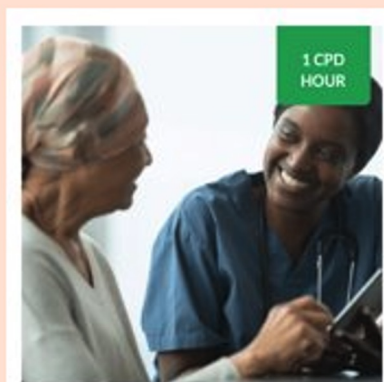
- Pay June quarter super (before 24th June 2023)
- Pay expenses (e.g. subscriptions and insurances)
- Count stock and write off any unsaleable
- Review practice debtors and write off bad debts
- Book upcoming training, travel or conferences
- Supply & vaccine orders (consider bringing forward July orders to June)
- Review uniforms and any necessary orders
- New business assets can be written off 100% until 30 June 2023 - consider any requirements
- Write off obsolete or damaged assets
- Small gifts for employees (under \$300, not entertainment) e.g. gift card for massage, Myer
- Consider technology needs and any expenditure eligible for 20% tax boost - ends 30 June 2023

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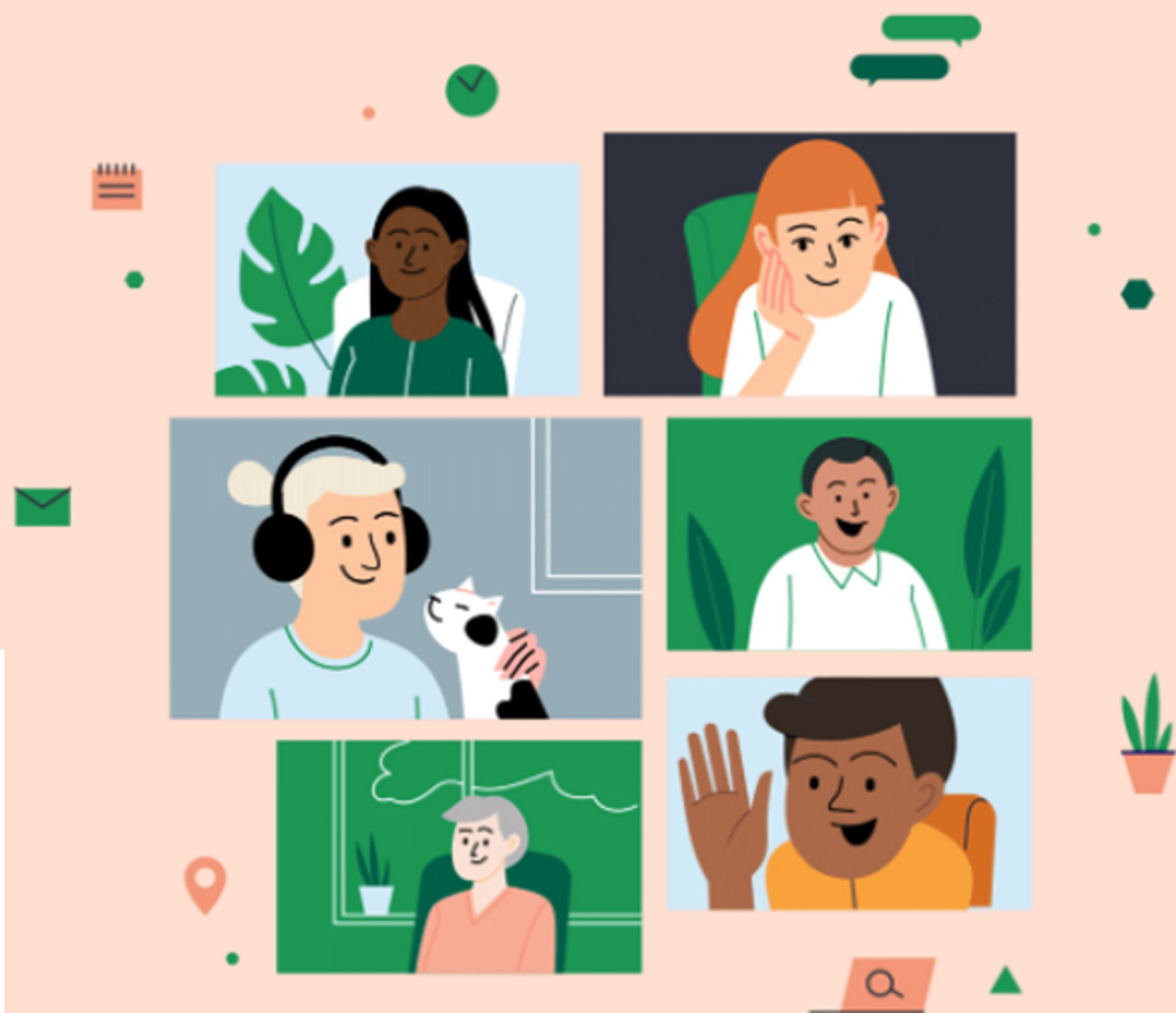
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