

Your 2018 Tax Checklist Small Business

To assist us in completing your business financials and/or income tax return please bring the following information (if applicable);

Review the following

- Reconcile Accounts Receivable – Write off Bad Debts
- Reconcile Accounts Payable
- Reconcile all bank accounts to 30 June
- Review Inventory on hand
- Reconcile payroll (if applicable)
- Reconcile Superannuation Payments
- PAYG Summaries issued to Employees & Summary Statement lodged with ATO

Provide the following

- Make a backup of your MYOB/Reckon file
 - Login details (if applicable)
 - Provide a copy with your information
 - Keep a copy on your computer
- Access and Login details for your 'Cloud' file
- Bank Statements showing 30 June Balance
- Insurance – policy, premiums, amount paid
- Leased plant and motor vehicles
- Advise Inventory value on hand at 30 June
- Invoices & Contracts for the following
 - Plant & Equipment purchased during year
 - Plant & equipment disposed/written off during year
 - Loans – balances at 30 June & interest paid
 - Chattel mortgage documents on new acquisitions
 - Leasing documents on new acquisitions
- Confirmation of PAYG Statement lodgement
- Copies of PAYG summaries issued & Summary Statement

- To be used in combination with our "Individual Returns" checklist
- Please refer to following page for further information

\$20,000 Immediate Write Off

- To be eligible to claim the \$20,000 Immediate write off, up to 30 June 2019 the tax payer must:
 - Qualify as an SBE tax payer with the aggregated taxable income turnover less than \$10M.
 - The Taxpayer must choose to depreciate their business assets under the small business depreciation rules (subdivision 328-D)
- The five year lock out period has been temporarily suspended to allow the SBE taxpayers to opt back into the SBE depreciation rules even though the five year lock out period may not have expired.
- The changes to the depreciation also allow an immediate write off of Tax payers' general pool balance due to the increase from \$1000 to \$20000 immediate write off.
- The \$20,000 limit is applied as a GST exclusion amount where the SBE Taxpayer is entitled to claim input tax credits, otherwise the limit will include GST if the Taxpayer is not entitled to claim the input tax credits.
- If the business use portion of an item purchased costing over \$20,000 is less than \$20,000, this does not qualify for the asset to be eligible to be written off over immediately.
- Second element (Capital improvement) to an asset incurred in a later income year (assuming the second element cost is under \$20,000) will only be eligible to claim the immediate write off of the second element if the original asset was eligible for the immediate write off
- Where an asset has been purchased for over \$20,000 & a trade-in asset has been made against the purchase of the new asset, the amount of the Trade in cannot be used to reduce the cost of the new asset to be below \$20,000.

Reduced Income Tax Rate for incorporated entities

For Incorporated entities with an aggregated annual turnover of \$25 million or less, the Income tax rate will continue at 27.5% for the 2018 financial year. The income tax rate for 2018/19 financial year will remain at 27.5% for companies with less than \$50M annual aggregated turnover. The turnover threshold will then progressively increase to have companies eligible for the 25% income tax rate by 2026/27, with no aggregated annual turnover threshold.

8% Tax Discount on income earned from unincorporated small businesses – Also known as Small Business Income Tax Offset – SBITO

Individual taxpayers with business income from an unincorporated business that has an aggregated annual turnover of less than \$5 million will be eligible for a small business tax discount. The discount will be 8% of the income tax payable on the business income received from an unincorporated small business entity.

The discount will be capped at \$1,000 per individual for each income year, and delivered as a tax offset.

The offset will increase to 10% in 2024-25, to 13% in 2025-26, and to 16% in 2026-27.