

Business Newsletter

June 2024

JSA and Edcom welcome you to the 2025 Financial Year!

As the 2023/2024 financial year comes to a close, we want to keep you informed about the latest tax updates and provide advice to help you optimize your tax position.

We thank you for your support over the last 12 months and we look forward to working with you in the coming year.

Jill Hoadley and Jessica Ni, Directors

Nicolle, Amy, Maggie, Nikki, Jen and Jordan

Increase To National Minimum Wage

From 1 July 2024, the National Minimum Wage will increase by 3.75%.

The new National Minimum Wage will be \$915.90 per week or \$24.10 per hour.

The new National Minimum Wage will apply from the first full pay period on or after 1 July 2024.

Key Updates and Opportunities

1. Small Business Energy Incentive

The Australian government has introduced a **Small Business Energy Incentive** for the 2023/2024 financial year:

- **Eligibility:** Small and medium-sized businesses with an annual turnover of less than \$50 million.
- **Benefit:** A bonus deduction equal to 20% of the cost of eligible energy-efficient assets and improvements.
- **Retrospective Application:** Available from 1 July 2023, applicable for the 2024 income year.
- **Claim:** Depreciating assets used or installed during this period qualify.
- **Exclusion:** Solar panels, cars and solar powered equipment are not eligible for the bonus deduction.

2. Instant Asset Write-Off Threshold Increase

As part of the 2024/25 Federal Budget, the Government announced it will extend the \$20,000 instant asset write off for a further 12 months to 30 June 2025. This measure was previously announced as part of the 2023/24 budget for 2024 financial year.

Note – this measure is not yet law.

- **Eligibility:** Small Businesses with an aggregated turnover of less than \$10 million.
- **Multiple Assets:** The \$20,000 threshold will apply on a per asset basis, so businesses can write off multiple eligible assets below the threshold.

- **Opt-Out Suspension:** Usual opt-out rules are suspended until 30 June 2024

Upcoming Changes and Proposals

1. Super Contribution Caps (Effective from 1 July 2024)

- **Concessional Contributions Cap:** Increasing from \$27,500 to \$30,000.
- **Non-Concessional Contributions Cap:** Increasing from \$110,000 to \$120,000.
- **Super guarantee rate:** Increase to 11.5%

2. Division 296 Tax (Proposed)

- **Background:** The Treasury Laws Amendment (Better Targeted Superannuation Concessions) Bill 2023 introduces Division 296 tax.
- **Details:** A 15% tax on earnings for individuals with a Total Superannuation Balance (TSB) exceeding \$3 million.
- **Effective Date:** If enacted, the tax will apply from 1 July 2025.
- **Exemptions:** Does not apply to child recipients of pension income, structured settlement contributions, or deceased individuals.

3. Changes for Plug-in Hybrid Electric Vehicles (Effective from 1 April 2025):

From 1 April 2025, plug-in hybrid electric vehicles will no longer be considered zero or low emissions vehicles under FBT law.

However, there are exceptions:

- If the use of the plug-in hybrid electric vehicle was exempt before 1 April 2025.
- If there is a financially binding commitment to continue providing private use of the vehicle on and after 1 April 2025. Optional extensions to the arrangement are not considered binding. This is related to Novated lease with residual payment to be re-financed after 1 April 2025.

Be Wary of Tax Scams

The ATO will NEVER ring, email or text you to let you know they OWE YOU a refund!

As your registered tax agent, the ATO will typically contact us first about any debt owing. We then check the debt is valid, and if you don't have a payment arrangement in place we contact you. We will not give the ATO your contact details due to privacy laws unless you authorise us to do so.

If you are contacted directly and you are unsure of or not aware of any debt please let us know straight away and we can check this for you.

There are a number of scams that target small business around tax time.

Common tax time scams include:

- tax refund scams where the scammer will claim you have overpaid your taxes and are eligible for a refund. However, in order for you to receive this refund, they will claim that you need to pay a fee for administration or transfer costs.
- tax owed scams where the scammer will claim that you've underpaid your tax and will need to repay the amount you owe immediately. In order to make this payment, they request your credit or debit card details, or ask you to send money through a money transfer.

Stocktake Reminder – 30 June

Do I need to do a stocktake? Yes, if either your:

- annual income is more than \$50 million
- the value of your stock has changed by more than \$5,000 since the last financial year.

Financial Planning Services

Did you know JSA Accounting is a fully compliant fee for service financial planning business?

We are able to provide advice and services in the following areas:

- Retirement Planning
- Recommendation and Investment of Funds
- Personal Insurances
- Aged Care Advice and Planning
- Commercial Leases and Conveyancing assistance

We believe we have the knowledge and expertise in both tax and financial planning matters to provide our clients with an excellent and expert service. Indeed, we believe that being both tax agents and financial planners gives us a point of difference over many financial planning firms.

We have had much pleasure assisting a number of our clients with their financial planning during the last year. This work has included investment of surplus money, retirement planning, superannuation advice and aged care advice.

Tax Planning Tips

1. Write Off Bad Debts

Review and write off any outstanding debts that are unlikely to be recovered. This could reduce your taxable income, if you are reporting on an accrual basis.

2. Distribute trust income tax effectively:

- Consider beneficiaries' tax profiles, non-resident beneficiaries, and franking credits.
- Be aware of Division 7A implications when distributing to a bucket company.
- Ensure clear income distribution resolutions before 30 June 2024 and timely distributions.

3. Take tax advantage of Super contribution:

You may be entitled to make a concessional super contribution and claim it as tax deduction to reduce your taxable income.

Note: the concessional super contribution cap is \$27,500 for the 2023/2024 financial year. In some situations, there may be a carry forward super contribution available. Talk to the team at JSA Accounting if this is of interest to you.

4. Asset Depreciation

- Properly account for asset depreciation
- Understand and claim appropriate deductions.
- Review and write off unusable assets.

5. Consider Capital Gains Tax (CGT)

Be mindful of CGT implications when selling assets or investments, including:

- Backyard subdivision
- Crypto currency
- Other properties
- shares

6. Make Charitable Donations

Donation to registered charities are tax-deductible. Consider making donations before the end of the financial year to claim deductions.

7. Accruing Business Expenses if you are a small business

- **Expenses:** Deduct expenses incurred during the 2024 income year, even if paid after 30 June 2024.
- **Salary and Wages:** Deductible for work performed by employees up to 30 June 2024, even if paid later.
- **Staff Bonuses:** Accrue bonuses if employees are entitled to future payment.
- **Director Fees:** Accrue fees if the company is committed to paying them.
- **Interest on late payment:** ATO charges interest on the late payment of previous income year are deductible.



Checklist of Critical Dates

CRITICAL ACTIONS - BEFORE 30 JUNE

SUPER CONTRIBUTIONS – FOR EMPLOYEES AND DIRECTORS

Must be received by the fund before 30 June to be deductible in 2024.

TRUST DISTRIBUTION MINUTES (DISCRETIONARY TRUSTS ONLY)

Decide who to distribute income to and complete the distribution minute emailed to you.

LOANS TO DIRECTORS OR SHAREHOLDERS (COMPANIES ONLY)

Owing your company money at 30 June 2024 can have tax consequences – repay any loans or contact us.

PRE-PAYING EXPENSES

Consider Pre-paying expenses. Small business can generally pre-pay business expenses up to one year in advance.

2024 PAYROLL COMPLIANCE CALENDAR

BEFORE FIRST PAY IN JULY 2024

Review any wage increases and update tax tables in your software.

14 July 2024

Issue PAYG Payment Summaries to Employees.

28 July 2024

Payroll Tax Reconciliation Due.

28 July 2024

June 2024 Quarter Super Guarantee Payments due – if not paid pre 30 June.

31 July 2024

Workcover Reconciliation Due (ReturntoworkSA).

28 August 2024

Lodge Annual Payment Summary Statement with ATO

28 August 2024

Taxable Payments Annual Report Due (Building and Construction, cleaning, computer IT)

BAS reporting Calendar 2024/2025

BAS Period	Self Lodge (lodge & pay by)	JSA Lodging (lodge & pay by)	Super Guarantee Due some funds/awards may require monthly payments
Apr – June 2024	30 July 2024	27-Aug 2024	28 July 2024
July – Sept 2024	28 Oct 2024	26-Nov 2024	28 October 2024
Oct – Dec 2024	28 Feb 2025	28-Feb 2025	28 January 2025
Jan – Mar 2025	28 Apr 2025	27-May 2025	28 April 2025
Apr – June 2025	28 July 2025	26 Aug 2025	28 July 2025
Monthly IAS	21st of the following month	21st of the following month	

ACCOUNTING

We offer a free no obligation chat to discuss your accounting needs

TAXATION

Our qualified team provide tailored advice giving you maximum benefit

FINANCIAL PLANNING

We develop effective strategies to grow your financial wealth

SUPERANNUATION

By reviewing your super & investments we can help you achieve your retirement goals

BUSINESS MANAGEMENT

With 30+ years experience, let us share our wealth of knowledge & expertise

Business Checklist for 2024

Which record keeping system do you use? (please circle) Notes:

Please provide the following (if applicable) for accurate preparation of your 2024 Income Tax Return:

Cash Balances

Bank Reconciliation as at 30 June 2024
Bank statements confirming balance at 30 June 2024
Bank Statement for the period 1 July 2023 to 30 June 2024
Cheque payment details
Receipt details

Debtors

A list of trade debtors as at 30 June
A list of bad debts written off or to be written off as at 30 June

Creditors

A list of trade creditors as at 30 June

Stock

The value of stock on hand as at 30 June

Payroll - Employee records

Employee payment summaries, PAYG summary statement Workcover
reconciliation adjustment note/Payroll tax annual return Superannuation
payment records

Private Use - details of goods taken for private use

GST - copies of Business Activity Statements Lodged (if you self lodge)

Leases and Hire Purchase

Copies of lease/hire purchase agreements acquired this year Details of
any leases/hire purchase agreements paid out this year Fixed Assets
Details of assets acquired during the year including date and cost
Details of assets sold this year, including date and sale price Details of
assets scrapped, taken for personal use or traded in External Loans
Loan statements detailing interest, repayments and loan balances
New Loans - copies of contract detailing fees and costs

Transactions Not Through The Business Bank Accounts

Details of the payments not paid through the business bank accounts Details on
the income not banked through the business bank accounts Legal/Other

Documents

Solicitor's statements or letters for legal transactions during the year.
New business contracts, insurance recoveries or settlements

Investments

Schedule of investments held at 30 June - cash management and term deposits Investments
acquired, date and cost of acquisition
Investments sold, date of disposal and consideration received Buy and
sell contracts where relevant
Investment income received - dividends, interest, trust annual distribution statements

Table with 3 columns: Manual Records, Xero, MYOB Accountright. Rows include spreadsheets, ledger books, and various software options. Includes a section for 'Other' and a note about software usage.

How to send information to us:

- Email your information to enquiries@jsaaccounting.com.au or call us on 08 8322 5088
- Visit us at 62 Hillier Rd, Reynella or 60 Orsmond St, Hindmarsh
- If you use Xero – you can save documents in your file folder – ask us how!
- We also use Dropbox, Google drive, Onedrive if that suits you
- Contact us if you need a portal login, or details for shared drive access

