

**In brief – Summary of Key changes 2018**

Date	Changes and actions
Pre 30 June 2018	<ul style="list-style-type: none"> <li>• Review shareholder loan accounts and make minimum loan repayments (may need to declare dividends). The maximum franking percentage rules are currently in limbo – we can discuss this with you.</li> <li>• Pay superannuation to deduct contributions in the current financial year.</li> <li>• Complete a stocktake where required (see Do you need to do a stocktake?).</li> <li>• Write off bad debts and scrap any obsolete stock or plant and equipment.</li> <li>• Ensure any inter-entity management fees have been raised.</li> </ul>
1 July 2018	<ul style="list-style-type: none"> <li>• Single touch payroll is compulsory for employers with 20 or more employees at 1 April 2018. Standard business reporting-enabled software must be used to report payments such as salaries and wages, PAYG withholding and superannuation information.</li> <li>• Taxable payments annual reporting extended to businesses providing courier services or cleaning services.</li> <li>• Personal income tax changes increase top threshold of 32.5% personal income tax bracket to \$90,000 (from \$87,000).</li> <li>• GST applies to overseas sales of low value goods to Australian consumers in Australia, where the goods have a customs value of less than or equal to AUD\$1,000.</li> <li>• GST on property developments and residential subdivisions - the way GST is collected on sales of newly constructed residential properties or new subdivisions will change from 1 July.</li> <li>• The way Research &amp; Development incentives are managed will change.</li> <li>• Wine equalisation tax changes – reduced caps and tightening of eligibility criteria.</li> <li>• Definition of significant global entities (SGE) broadened – some smaller entities related to large global entities may be brought into the SGE reporting requirements.</li> </ul>
14 July 2018 (on or before)	<ul style="list-style-type: none"> <li>• PAYG Payment Summaries provided to all of your staff.</li> </ul>
28 July 2018	<ul style="list-style-type: none"> <li>• Quarterly super guarantee payment due (1 April – 30 June).</li> </ul>
14 August 2018	<ul style="list-style-type: none"> <li>• Annual PAYG Payment Summary lodged with the ATO. Penalties apply for late lodgement.</li> </ul>
28 August 2018	<ul style="list-style-type: none"> <li>• Taxable payments annual report due for the building &amp; construction industry</li> </ul>
23 May 2019	<ul style="list-style-type: none"> <li>• Proposed super guarantee amnesty ends.</li> </ul>
30 June 2019	<ul style="list-style-type: none"> <li>• \$20k instant asset write-off reduces back to \$1,000.</li> </ul>

## Reduce your risks & minimise your tax – Before June 2018

### Top tax tips

#### ***1. Declare dividends to pay any outstanding shareholder loan accounts***

If your company has advanced funds to a shareholder or related party, paid expenses or allowed a shareholder or other related party to use assets owned by the company, then this can be treated as a taxable dividend. The regulators expect that top up tax (if any applies) should be paid by shareholders at their marginal tax rate once they have access to these profits. This is unless a complying loan agreement is in place.

If you have any shareholder loan accounts from prior years that were placed under complying loan agreements, the minimum loan repayments need to be made by 30 June 2018. It may be necessary for the company to declare dividends before 30 June 2018 to make these loan repayments.

*The tax rules in this area can be extraordinarily complex and can lead to some very harsh tax outcomes. It is important to talk to us as soon as possible if you think your company has made payments or advanced funds to shareholders or related parties.*

#### ***2. Directors' fees and employee bonuses***

Any expected directors' fees and employee bonuses may be deductible for the 2017-18 financial year if you have 'definitely committed' to the payment of a quantified amount by 30 June 2018, even if the fee or bonus is paid to the employee or director after 30 June 2018.

#### ***3. Write-off bad debts***

To be a bad debt, you need to have brought the income to account as assessable income and given up all attempts to recover the debt. It needs to be written off your debtors' ledger by 30 June. If you don't maintain a debtors' ledger, a director's minute confirming the write-off is a good idea.

#### ***4. Review your asset register and scrap any obsolete plant***

Check to see if obsolete plant and equipment is sitting on your depreciation schedule. Rather than depreciating a small amount each year, if the plant has become obsolete, scrap it and write it off before 30 June. Small business entities can choose to pool their assets and claim one deduction for each pool. This means you only have to do one calculation for the pool rather than for each asset.

#### ***5. Bring forward repairs, consumables, trade gifts or donations***

To claim a deduction for the 2017-18 financial years, consider paying for any required repairs, replenishing consumable supplies, trade gifts or donations before 30 June.

#### ***6. Pay June quarter employee super contributions now***

Pay June quarter super contributions this financial year if you want to claim a tax deduction in the current year. The next quarterly superannuation guarantee payment is due on 28 July 2018. However, some employers choose to make the payment early to bring forward the tax deduction instead of waiting another 12 months.

Don't forget yourself. Superannuation can be a great way to get tax relief and still build your personal wealth. Your personal or company sponsored contributions need to be received by the fund before 30 June to be deductible.