

2024 Business Return Checklist

SBE Businesses



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Many of our business clients like to review their tax position before the end of the income year and evaluate any strategies that may be available to legitimately reduce their tax. Small Business Entities ('SBEs') – i.e., those with an aggregated turnover of less than \$10 million – often have greater tax planning opportunities due to certain concessions only applying to them. Further, SBE taxpayers generally have the flexibility of being able to pick the concessions that suit their circumstances.

Maximising deductions for SBE taxpayers

Deductions can be maximised for SBE business taxpayers **by accruing expenditure that has been incurred, prepaying expenses and/or accelerating expenditure.**

Accrued expenditure

Business taxpayers are entitled to a deduction for expenses incurred as at 30 June 2024, even if they have not yet been paid. Examples of expenses that may be accrued include:

- **salary or wages and bonuses** – the accrued expense for the days that employees have worked but have not been paid as at 30 June 2024;
- **interest** – any accrued interest outstanding on a business loan that has not been paid;
- **commissions** – where commission payments are owed to employees or other external parties;
- **fringe benefits tax ('FBT')** – for example, if an FBT instalment for the June 2023 quarter is due but is not payable until July, it can be accrued and claimed as a tax deduction in 2023/24; and
- **directors' fees** – where a company is definitively committed to the payment of a director's fee as at 30 June 2024, it can be claimed as a tax deduction. Please note superannuation will be payable on Directors' fees, and it will also be subject to PAYG with holding.

Prepayment strategies

SBE taxpayers making prepayments before 1 July 2024 can choose to claim a full deduction in the year of payment where they cover a period of no more than 12 months (ending before 1 July 2024).

The kinds of expenses that may be prepaid include:

Rent on business premises or equipment.

Lease payments on business items such as cars and office equipment.

Interest – check with your financier to determine if it's possible to prepay up to 12 months interest in advance.

Business trips.

Training courses that run from 1 July 2024.

Business subscriptions.

Accelerating expenditure

Accelerating expenditure involves bringing forward expenditure on regular, on-going deductible items. This is a useful strategy because business taxpayers can generally claim deductions for expenses they 'incurred' during 2024 even if the expenses have not actually been paid by 30 June 2024.

The following may act as a checklist of possible accelerated expenditure for 2023/24:

Depreciating assets: A full deduction for the cost of eligible assets costing less than \$20,000 first acquired and first used (or installed ready for use) for business purposes from 7:30pm (AEDT) on 1 July 2023 to 30 June 2024.

Note that, SBE taxpayers choosing to use the simplified SBE depreciation regime cannot directly opt out of temporary full expensing (i.e., if it applies).

Repairs.

Maintenance.

Consumables/spare parts.

Advertising.

Fringe benefits – Any benefits to be provided, such as property benefits, could be purchased and provided prior to 1 July 2024.

Superannuation contributions to a complying superannuation fund, to the extent contributions are actually made (i.e., they cannot be accrued but must be paid by 30 June).

Information Required

This is some of the information we will need you to bring to help us prepare your income tax return:

Stock-take details as at 30 June 2024.

Debtors listing (including a list of bad debts written off) as at 30 June 2024.

Note: In order to claim a deduction, the debt must be written off on or before 30 June.

Creditors listing as at 30 June 2024.

To book an appointment please call

02 9908 4744