

# q business: ADVICE ON TAX TIPS

## 5 ways to maximise your tax return this year

It's almost tax time once again! Hence, it's time to start preparing your affairs. Here are five ways to maximise your tax return this year.

There's no avoiding it – death and taxes are the only certainties in life, as the saying goes. The good news, though, is that how much tax you pay and how much of a refund you may receive is within your control.

Factor these five points into your preparations this tax season to maximise your return:

### 1. Lodge your return - promptly

It's easy to get caught up in the everyday hustle and bustle and push back doing your taxes, however, lodging your taxes quickly means your return (if you're eligible for one) will be paid sooner. With rising interest rates, that is money you and your business could surely use.

### 2. Claim your deductions

Yes, this point sounds obvious. But you would be surprised how many legitimate deductions people overlook.

Among the most commonly overlooked or underclaimed deductions are:

- **Work from home expenses:** Everything from the computer and phone you work from to the electricity used to power them are deductible – at least for the portion of time they are used for work purposes. That includes your phone and internet bills, heating/cooling during work hours, office furniture and supplies, printing costs including inks, postage, travel, professional magazines – the lot.
- **Depreciation:** This covers the diminishing value of equipment – everything from a company car to electronics, specialist tools, and office furniture.
- **Mileage:** You've probably clocked up more hours in the car than you realise. If you haven't kept a logbook (now is a good time to start!), scrutinise your movements and calculate the kilometres travelled to visit clients, buy supplies etc.
- **Professional advice:** Most people claim their bookkeeper/accountant fees, but other advisory services are usually tax deductible too – financial advisers, business coaches, lawyers etc. Busy tax advisers can forget to ask whether you incurred these expenses, so don't let these legitimate business deductions go unclaimed.

Not claiming these expenses in full means you're lining the tax man's pocket with money that's rightfully yours.

### 3. Pay yourself superannuation

Have you paid yourself super lately? Many sole-traders haven't. Denying yourself super means risking your retirement on the fate of the business. And failing to pay super regularly means a bigger lump sum payment later on – a big hit to your cash flow.

Additionally, you may be eligible for government co-contributions. Think of it as a portion of the tax you paid to the government coming back to your super, money which you get to invest and enjoy the proceeds. Or, if the numbers stack up, consider making spousal contributions to your partner's super. That can build up their nest egg while you receive a tax offset in the process.

### 4. Watch your dates

As June 30 approaches, you have a choice of which financial year you pay yourself and make business purchases. Work with your accountant or bookkeeper to make those payments within the most favourable financial year.

For example, if you had a slower FY22 due to COVID lockdowns, you may be better off delaying purchases until July, so that the deductions fall within the next tax year when your earnings will

(hopefully) be higher.

Be wary too of splurging on end of financial year sales. Spending money just to gain a tax deduction doesn't make financial sense, especially if those purchases aren't needed here and now.

#### 5. Invest in yourself

Sole traders have to work hard for their money. Really hard. But at what cost to your own health and wellbeing?

If you're expecting a decent tax return, that may be your chance to invest in yourself. Take a holiday to recharge. Commit to regular exercise/yoga/some other active outlet. Pay a visit to your doctor and dentist. All those things you have put off throughout the year.

Or if the business has surplus cash, why not invest in upskilling yourself – do some additional training, gain an extra qualification, update your skills in business management. Or, invest in advice that can pay for itself immediately and/or in the future.

That way, you'll reduce the business's taxable income and can tax deduct the costs. Plus, you'll be able to increase how much you charge and/or run your business more efficiently – a win-win all round!

*Helen Baker is a licensed Australian financial adviser and author of the new book, [On Your Own Two Feet: The Essential Guide to Financial Independence for all Women](http://www.oneyourowntwofeet.com.au) (Ventura Press, \$32.99). Helen is among the 1% of financial planners who hold a master's degree in the field. Proceeds from book sales are donated to charities supporting disadvantaged women and children. Find out more at [www.oneyourowntwofeet.com.au](http://www.oneyourowntwofeet.com.au)*



**GIVE YOUR WORD. PROMISE  
TO STAND UP AGAINST HOMOPHOBIA,  
TRANSPHOBIA & BIPHOBIA. ALWAYS.**