top tax tactics

→ for SME businesses

business DEPOT

June 2026

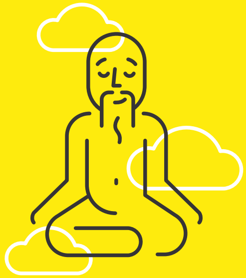
EBOOK

a bit about this ebook

> They say the best thing about paying tax is that it means you are making money. Nevertheless, no one likes to pay a dollar more tax than they have to.

Over the years, we've been asked about claiming some pretty dubious costs as tax deductions for businesses and business owners. Many things are deductible when discussed around the BBQ but in reality, a lot are just rubbish.

At businessDEPOT we love working with business owners and seeing them get great results. So, to help ensure you get the best results, we've summarised the top [and legit!] tactics for Australian businesses and the people behind them.



get all zen with your tax + don’t pay a dollar more than you have to

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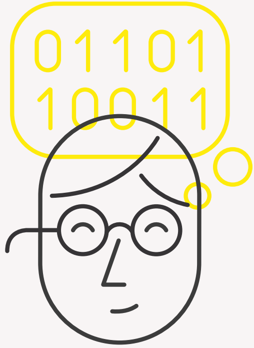

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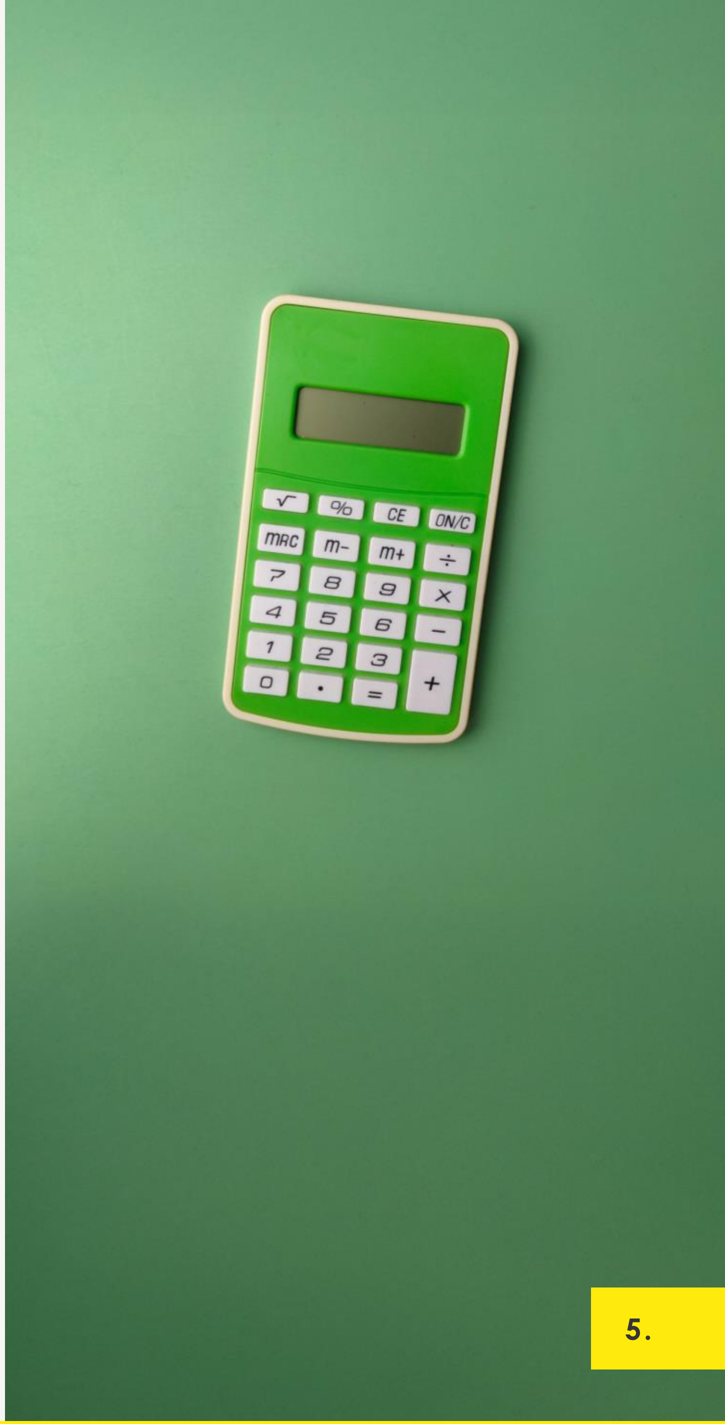
tax avoidance is illegal
but tax planning /
minimisation is not

simpler depreciation for small business

As was the case for 2025, small businesses with an aggregated turnover less than $10 million will continue to be eligible for an immediate write-off for assets costing less than **$20,000.**

This is a per asset limit, so you can claim the $20,000 for multiple assets once they are installed and ready for use.

Note: *The government has proposed in the 2026/27 Federal Budget to make this a permanent part of the tax system from 1 July 2026.*



scrap underperforming business assets

Review your depreciation schedule and scrap any old assets. Any loss on the scrapping of these assets can be used to reduce other trading income. However, if you have already fully depreciated or written off these assets then there will be no benefit in doing this.

If you have moved offices, you can write-off any remaining fit-out costs and get a big tax deduction in that year.

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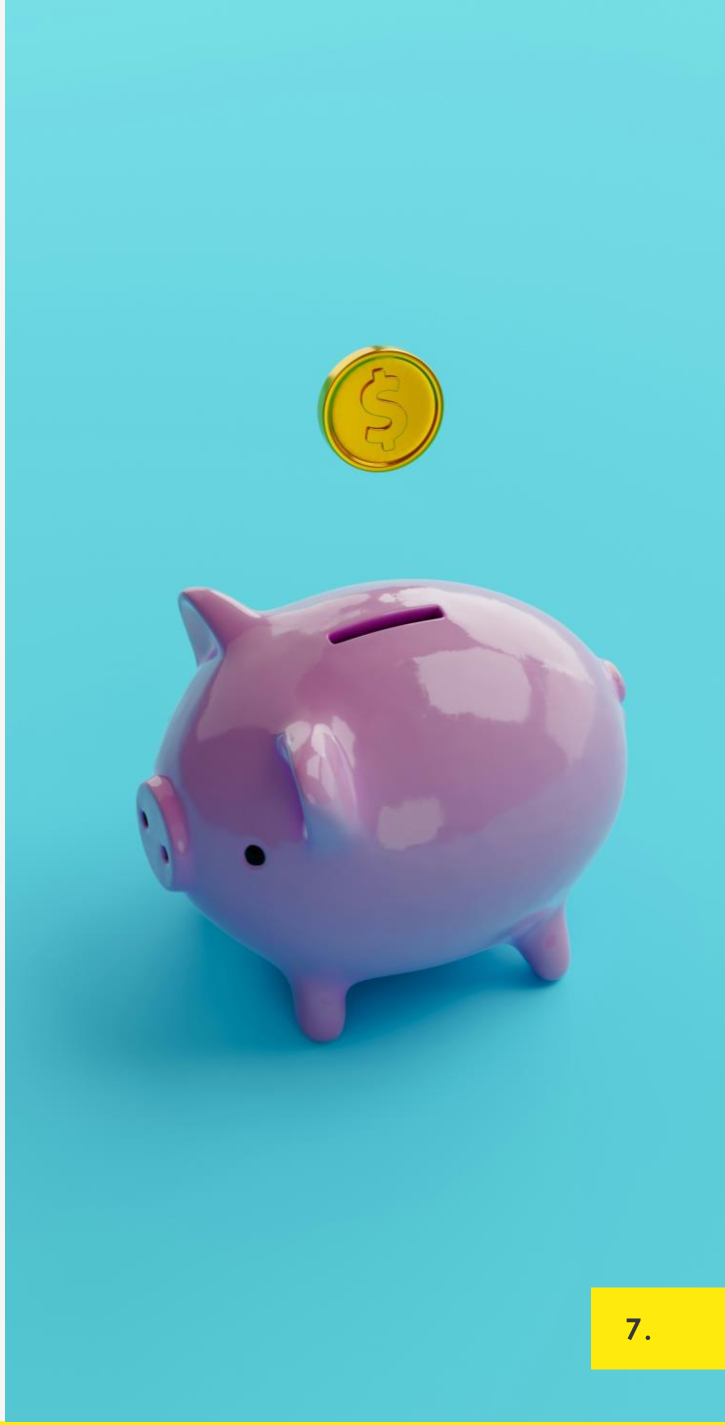
consider other ways to remunerate **shareholders + directors**

> You must understand your tax timeline to avoid any nasty surprises down the track

If you are a shareholder or director of the business, you can consider pushing out the timing of tax payments to the ATO by reducing the amount of wages you take and taking dividends/drawings instead.

This is often not commercially possible when you have unrelated parties in business together.



push income out

The oldest tax planning tricks in the book involve pushing income into the next financial year and bringing forward expenses into June.

However, to delay income don't forget to consider what impact this will have on cashflow.

Remember if your business accounts for income on an accrual basis [raise an invoice and wait for payment], just delaying the cash inflow will not be sufficient. You will need to delay invoicing until the next financial year for a tax effect, which may not be possible if you have already derived the income.

If the income is derived [you have already delivered the goods or provided the service], the income will be taxable whether an invoice has been raised or not.

bring expenses forward

Small + medium business entities [turnover of your business and related parties of less than $50 million] may be eligible to claim an immediate deduction on certain prepaid expenses.

The expenses you bring forward or prepay must be deductible expense. A reminder that where you are purchasing assets prior to 30 June 2026 to take advantage of immediate asset write-off, the assets must be delivered and installed ready for use to be eligible for the immediate deduction.

Prepaying rent, interest on a loan or services like insurance and IT maintenance for 12 months in advance is a tax tactic for small & medium businesses. Beware, if you do not do it again next year, the timing benefit will catch up with you.

If you own an investment property, you may also be able to prepay interest on an investment property loan for 12 months in advance and get a tax deduction in the year paid.

deductions for bonuses + commissions owed at 30 june

If you pay commissions, bonuses and wages either monthly or fortnightly, review any amount you are legally committed to paying and accrue these as an expense this financial year.

A reminder in respect of bonuses, in order to be deductible before paid, there must be a definitive legal commitment to pay the liability, and the employee have a legal entitlement to be paid the bonus. Simply accruing an expected bonus will not be sufficient to claim a tax deduction before the bonus has been paid.

This matches the cost to the income that it relates to and makes sure you are getting every dollar of tax deductions you are entitled to.

write-off non-recoverable bad debts

If your business raises sales invoices, make sure you review your trade receivables/debtor ledger to identify and write-off any bad debts before 30 June.

A debt is considered bad when a commercial decision has been made that the debt is no longer recoverable. It is not sufficient for the debt to be merely 'doubtful'; there must be a real expectation that the business will not recover or be paid the money it is owed.

stocktake + write-offs

If your business holds stock - don't forget to count it on 30 June. Getting an accurate stock count is not only good business practice, but it also helps you identify any missing, damaged or obsolete stock that you can write-off and get a tax deduction for this year.

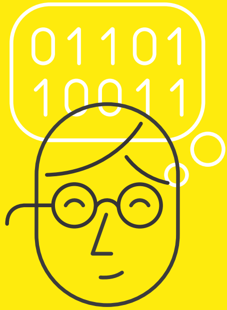
Don't forget you will pay tax on your closing stock balance - so getting this right will save you!

top up your super contribution to $30,000

As a business owner there is nothing wrong with looking at topping up your super before the end of the financial year. You could save as much as 47% of every dollar contributed in total for the year in your own name and only pay 15% in your super fund.

The general concessional contribution cap is $30,000 for the 2026 year. This includes your employer contributions; salary sacrifice and personal concessional contributions.

The timing of super payments will be critical as they must hit your super account by 30 June to receive a deduction in the current year. We recommend making the payments no later than 15 June to meet most clearing house cut off dates.



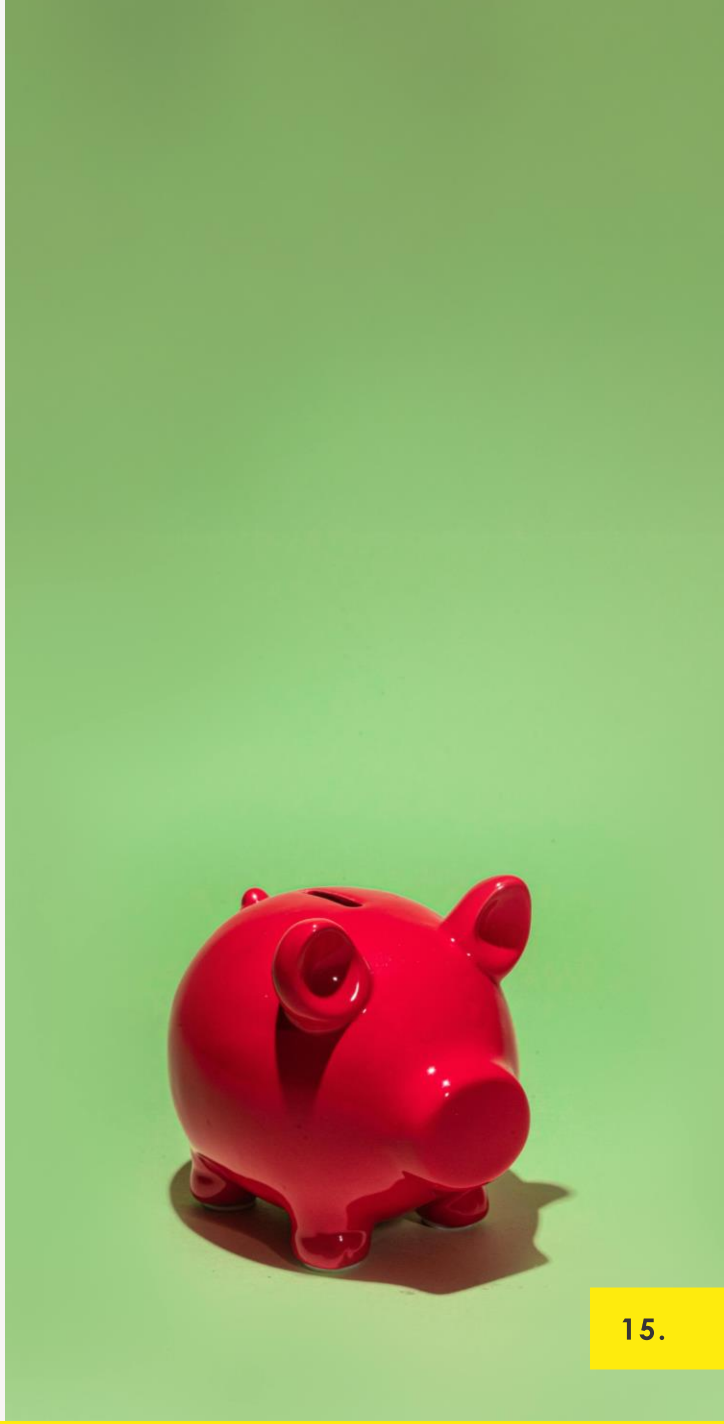
the fund must receive the money by 30 june each year in order for the contribution to be deductible

even more into superannuation

You may be able to contribute even more than the $30,000 concessional contributions cap if you haven't made maximum super contributions in prior years. You may be able to make 'catch-up' contributions to your super.

This is only available if your super balance is less than $500,000 and is somewhat complicated depending on your personal situation, so please seek advice before making any contributions.

NB: Limit increases to $32,500 for FY27.



superannuation + health insurance for high income earners

If you earn over $250,000 [after adding back rental property losses, salary sacrificed or deductible super and reportable fringe benefits], the ATO will hit you with an extra 15% excess contribution tax in the super fund*, taking the total tax on the contribution to 30% [still better than 47%].

High income earners will also be hit with an additional Medicare Levy Surcharge if you do not have an appropriate level of health insurance. If you are single and earning above $101,000 [or part of a couple with joint income of $202,000], you will be charged an additional 1-1.5% of your taxable income if you don't have probate health insurance that includes hospital cover.

Under Division 293 rules, contact us for more information

Don't forget: Payday Super starts 1 July 2026. Super must be paid within 7 days of each payroll run.

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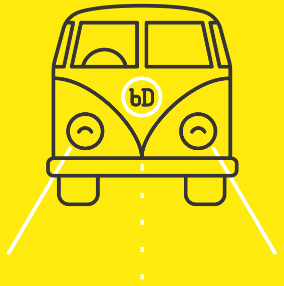
super only deductible if paid

You are only able to claim a tax deduction for superannuation contributions when the payment is made. For employers, this means you need to pay your compulsory 12% employee super to ensure they hit the superfund accounts by 30 June 2026 to get a tax deduction in the 2026 financial year.



the lower company tax rate is making it more and more appealing to be trading through a company structure

get your legal structure right

The best way to minimise tax in the long-term is to get your structure right from the beginning. The right structure for you will depend on your strategic plans, funding and ownership mix.

The most common structure we use for trading businesses is a company structure with a discretionary trust as shareholder/s - but it will always depend on your personal situation.

The company tax rate is 25% for those with turnover less than $50 million. Those with turnover greater than $50 million are subject to a tax rate of 30%.

The second most common structure would be trading as a discretionary trust with a company as trustee, but this is limited as it cannot be used when you have unrelated parties in business together.

Budget announcements could impact the right structure for you
Review your structure once the final legislation is in place to ensure it's still the right fit.

if you have a trust, the distribution minutes must be made before 30 june each year to be effective

If you either trade or invest via a discretionary trust structure, you must document your distributions before 30 June [some exceptions depending on your deed].

If you come under review by the ATO and cannot prove that the distribution decision was reached before 30 June, the trust will generally become liable for the tax on profits made. The trust tax rate is the highest marginal rate which is currently 45% plus Medicare levy – so it's definitely worthwhile sorting out your paperwork on time.

See budget changes from page 29 re proposed budget announcements on the taxation of trusts.

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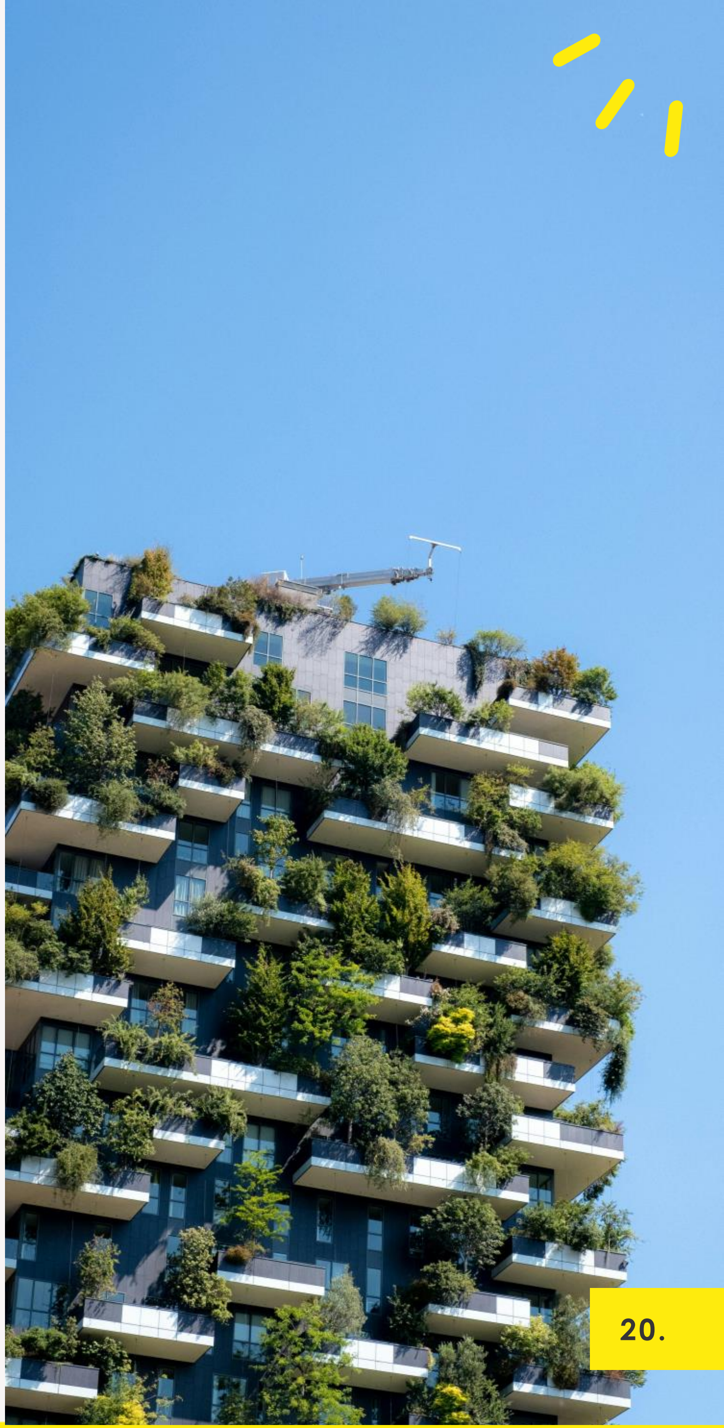
tax depreciation reports to help with investments

If you have an investment property, maximise your depreciation deductions by getting a quantity surveyor's report.

Both new and old investment properties have depreciable values that if properly assessed can be claimed against assessable rental income to increase negative gearing or decrease rental profits.



"you can no longer claim a deduction for travel expenses to and from your rental property"

tax on properties **owned**

Property is still a popular investment in Australia, but the tax rules and exemptions can be complicated.

A few key considerations:

- Main residence not subject to CGT [but must be purchased in individual name/s]
- If you buy a property with a profit-making intention, gains are 100% taxable for income tax purposes
- If you have a mix of the above, it's complicated [please seek advice].
- Rental properties are subject to CGT and eligible for 50% CGT discount when owned for more than 12 months [up to 1 July 2027 if budget proposals become law]
- If you are considered a developer [business approach] the gains are 100% taxable as income and GST payable on the sale [consider a company structure]
- ATO guidance on holiday homes has changed. See page 23.

Budget announcements don't always become law. Before acting on proposed property tax changes, wait for the final legislation and seek advice.

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holiday homes

ATO guidance has changed and it is no longer enough for your property to be ‘genuinely available for rent’ to claim a portion of the holding costs.

Ask yourself, is the property predominantly being held to generate rental income, or is it primarily a private holiday home that occasionally earns some income on the side?

Deductions like interest, rates, water, land tax repairs will no longer be able to be proportionally deductible unless a predominant investment purpose can be established.

vary your PAYG instalments

If your PAYG Instalment for the June quarter has jumped up considerably, or profits in the year have dropped compared to the previous year, look at varying your PAYG instalment. By doing this you will get the cash benefit in July/August rather than waiting until you lodge your tax return – which can be as late as May the next year.

Remember, you need to have a valid reason to do this as you can be penalised for varying instalments inappropriately, so please talk to your accountant first.

warning: watch out for the 'double whammy' of tax in the year following the lodgement of a tax return with a big increase in tax payable.

For example: if you lodged FY25 in May 2026, you may also get hit with a big instalment for FY26 in July 2026 – almost 2 years of tax within 3 months!

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car logbooks pretty much a must

The ATO expect some taxpayers to have a high business/work usage, but you must keep a logbook for a 3-month period to evidence your usage.

This way you can claim a percentage of all costs [up to the MV cost car limit] including interest on loans, lease payments, repairs, registration, insurance and fuel.

Without a logbook your deduction is limited to $4,400 using the cents per kilometre method of 88 cents per kilometre for 2025/2026 capped at 5,000 kilometres [assuming you can justify that you travelled 5,000 kilometres for business/ work in the year].

You need to do a new logbook every 5 years or when your usage changes materially [e.g. you move homes]. We have seen far more ATO logbook checks recently with more expected in the future.

Note*: cents per kilometre rate increasing to 89c per km in FY27.*

entertainment

Anything regarded as entertainment is generally not tax deductible. There are a couple of exceptions to this rule, but these essentially require you to pay at least some FBT.

A few notes on entertainment deductions:

- Generally, where alcohol is involved, you are having too much fun and therefore it is considered 'entertainment' - even if the event is business related
- Food while travelling is generally fine, unless there is client or other staff entertainment involved while travelling for business
- Food for events, training, workshops is fine so long as no alcohol
- Long lunch with the team is potentially subject to Fringe Benefits Tax
- Long lunch with clients and prospects is generally not deductible.
- Corporate box at the footy – depends on who went but still considered entertainment [not deductible].

lastly, keep the receipts

Boring we know, but the Australian tax system is a 'self-assessment' system, so you need to keep evidence to substantiate any claims [minor exception for individuals claiming less than $300 in total]. If in doubt, keep the receipt and ask your accountant.

Other evidence requirements include:

- For capital assets you need to keep purchase documents until you sell the item and then a further five years after lodging the sale year tax return
- If travelling overseas for business or work purposes, you need to keep a diary of your activities while overseas
- If you are paid a travel allowance, you do not need to keep receipts if your claim is limited to the allowance amount and it is paid in accordance with the ATO guidelines.

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the federal budget for 2026/27 was meaty to say the least - keep an eye out for our blogs on the topic to confirm when/if the proposals become law

CGT 50% discount cut from 1 July 2027

- Existing unrealised gains to 30 June 2027 still taxed with 50% Discount.
- Gains from 1 July 2027 tax based on CPI indexed cost base.
- 30% minimum tax from 1 July 2027
- Pre-CGT assets to be taxed on growth from 1 July 2027.
- Exclusions are new builds, principal place of residence + super fund discount still
- Valuations for most CGT Assets will be required as at 30 June 2027

Budget announcements don't always become law. At the time of writing this legislation had not received Royal Asset but looks likely to pass.

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business CGT concessions

Since originally releasing the budget, the government has received significant negative feedback from business owners – especially those growing an asset from scratch with no cost or minimal cost base to be indexed.

The government has proposed to address this with 2 proposals:

- **small business CGT concessions** - Increase in the turnover threshold to access the 50% active asset reduction from $2m to $10m from 1 July 2027
- **innovative business CGT concession** - Inclusion of an 'innovative business' definition to enable founders, early-stage investors and employee share scheme participants that fit the definition to still be able to opt to use a 50% CGT Discount subject to a lifetime limit.

Budget announcements don't always become law. Before acting on proposed tax changes, wait for the final legislation and seek advice.

negative gearing

If residential property purchased after 12 May 2026

- negative gearing allowed to 30 June 2027
- no negative gearing deductions after 1 July 2027.

Can still offset losses against other rental property gains - so if you have other residential profits, you can still offset losses from other residential properties.

Exclusions are new residential builds + commercial property, share and other.

Budget announcements don't always become law. At the time of writing, these proposals look more than likely to be passed.

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federal budget 2026-27 negative gearing + CGT changes cheatsheet

property date [contract date]	CGT treatment	negative gearing treatment
Owned pre-CGT [i.e., pre-20 Sept 1985]	CGT on gains after 1 July 2027 based on CPI indexation and minimum tax rate of 30% [may need a valuation as at 1 July 2027]	Still available
Owned before 7.30pm 12 May 2026	If sold before 1 July 2027 = no changes [i.e. 50% CGT Discount available if held for greater than 12 months]	Negative gearing can continue on these properties until sold
Acquired after 7.30pm 12 May 2026 but before 1 July 2027	If sold after 30 June 2027 = 50% CGT Discount to value at 30 June 2027 + gains arising after 30 June 2027 subject to new rules with indexed cost base and 30% minimum tax [may need a valuation as at 1 July 2027]	Negative gearing allowed to 30 June 2027 No negative gearing allowed after 30 June 2027 but can still offset against other residential property income or carry forward to future years or added to cost base
Acquired after 1 July 2027 [existing residential properties]	Cost base indexed for CPI and gain taxed at marginal tax rate [up to 47%] with a minimum tax rate of 30%	No negative gearing allowed Deductions can be offset against other residential rental income or carried forward to future years or added to the cost base
Acquired after 1 July 2027 [new residential builds]	Choose between the 2 systems: – either the 50% CGT Discount or – cost base indexed for CPI and gain taxed at marginal tax rate [with the minimum tax rate of 30%]	Negative gearing allowed
Other asset types	All other CGT assets subject to the same rules with the exception of new residential builds, discounts under SBCGT Concessions and proposed 'Innovative Business Concessions'	Negative gearing still available for non-residential property assets

30% minimum tax on trusts

- trustees taxed from 1 July 2028
- non-refundable credit
- No credit for corporate beneficiaries [essentially ruling out the use of them]
- applies to discretionary trusts
- Expect more use of companies for investment vehicles going forward
- Government announced will no longer apply to genuine testamentary trusts [nevertheless still many estate planning considerations]

Budget announcements don't always become law. If proposed trust changes are enacted, your distribution and asset protection strategies will need to be reviewed.

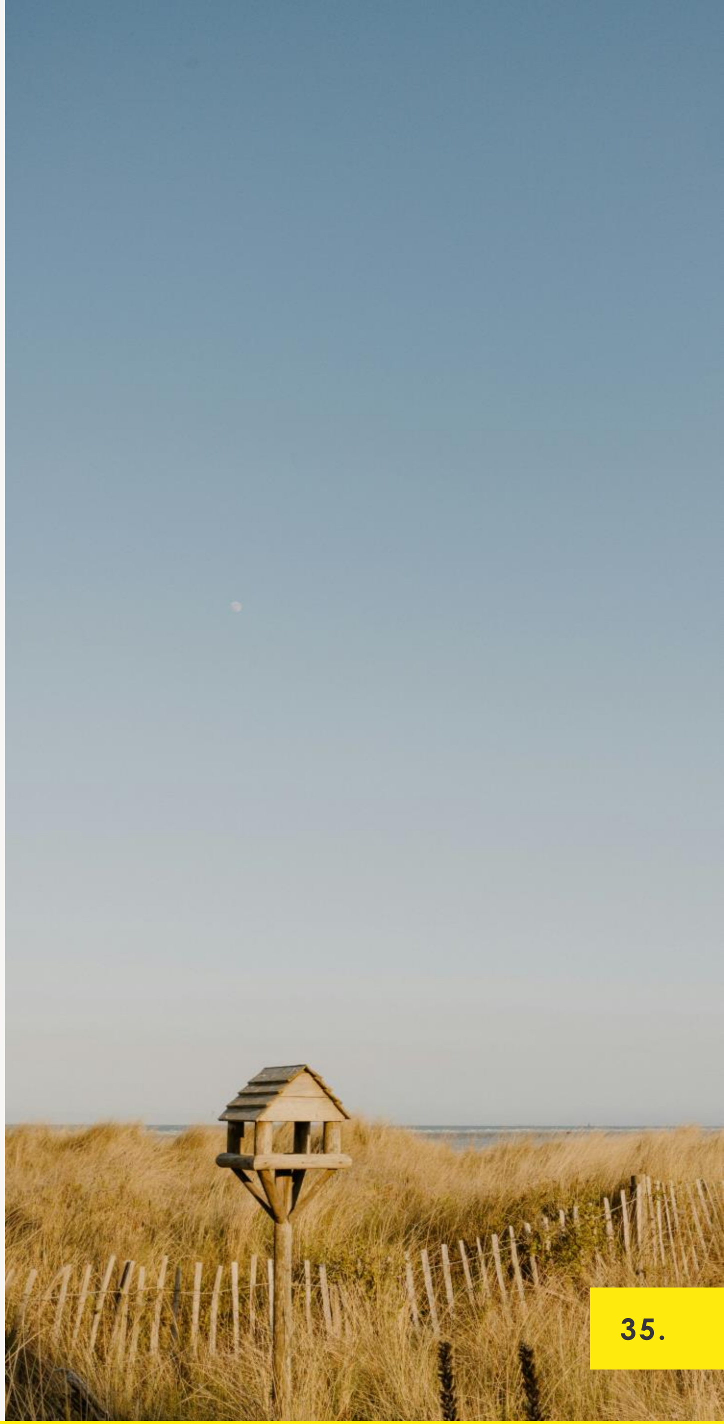
limited recourse borrowing arrangements

Limited Recourse Borrowing Arrangements in Super no longer available for residential properties going forward.

Will be applicable 45 days after royal assent of the subject legislation.

Existing LRBA arrangements are grandfathered and can continue as it.

Still available for commercial properties going forward.



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did you know we also do...

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- business broking
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one place for business

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if you're wondering how to best maximise your tax deductions, we are here to help

We love getting nerdy with the numbers and saving you tax so if you have questions, we're here to help and happy to kick things off with a coffee and a chat about your goals.

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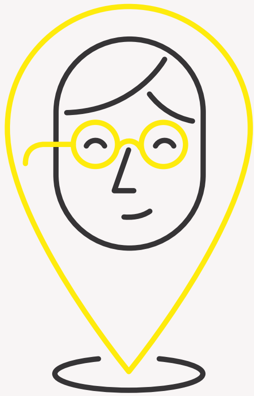

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