LINK™ Advisors.

2025/2026
Financial Year

23 business tax tips that accountants won't tell you for free.

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Introduction.

The best way to save tax in business is to consider and apply strategies prior to 30 June each year. After year end, the options available to improve your business tax position are severely restricted. LINK Advisors are business tax specialists. In this booklet we share 23 of our best tax tips.

TIP 1

Take advantage of the instant asset write off. Businesses are eligible to claim an immediate tax deduction for assets costing less than $20,000 (ex GST) in the year they are purchased and ready for use. For a company with a 25% tax rate, this means up to $5,000 less tax to pay come year end. For assets costing $20,000 (ex GST) and over, they need to be depreciated over several years. There are a few different methods which can be used to calculate this depreciation, your accountant should choose the method which gives you the best tax deduction. ***The instant asset write off has been extended to at least 30 June 2026.***

TIP 2

If you are travelling away overnight for work, **have your business pay you the ATO recommended travel allowance** and forget about the need for keeping receipts. In addition to the relaxed record keeping, your business can generally get a greater tax deduction and the allowance is not taxable in your personal name. To be eligible to do this, you must operate your business as either a company or a trust and pay the allowance in advance of the trip.

This applies to both overnight domestic and international business related travel.

TIP 3

Maximise your super contributions.

Every year, you can make tax-deductible super contributions up to a specified cap. These deductions are known as concessional contributions, and the cap varies from year to year. This cap covers contributions made by your employer, including from your own business, and personal contributions.

When receiving a salary from your business, you'll already be contributing the mandatory super guarantee amount of 12% from 1 July 2025.

Generally, we always recommend clients pay themselves a salary, which means tax and super is being put away throughout the year. Paying super this way means you don't need to find a lump sum in a hurry before 30 June. Of course you can elect to contribute extra into super (up to your cap) to boost your tax deduction.

Remember it's always important to talk to a financial adviser about how super fits into your personal financial plan. Here is where our financial team can assist - **Wealth.link.com.au**

Even if you haven't maximised your super contributions in prior years (perhaps you didn't know the benefits or you didn't have the funds), there may be an opportunity to catch up using the **carry-forward** rules.

The carry-forward rules allow eligible individuals to make extra super contributions above the annual cap where prior year caps have not been fully utilised. To take advantage of this rule, you'll need to have less than $500k in super at the end of the previous financial year. Unused caps are available to carry forward from the 2021 financial year onwards. Your accountant can request the exact unused cap amount from the ATO on your behalf, or you can look it up in MyGov.

Note that this is general information only. Ensure you speak to a financial adviser in relation to any superannuation strategy.

TIP 4

Does your business have trading stock? Do an annual stocktake at 30 June. You are eligible to get a tax deduction for any obsolete or worthless items still on the shelf.

TIP 5

Write off your bad debts. Subject to how you have recorded your figures, you have likely paid tax and GST on income you have invoiced but not yet collected. If you have deemed the debt to be uncollectible, you are entitled to a tax deduction as well as recouping the GST paid to the ATO.

Identify and record these debts in your accounting system by 30 June to claim the tax benefit in that year. Remember that when you are struggling to collect bad debts, it may be worth enlisting the help of a professional debt collector before you give up on collecting them completely.

TIP 6

Run your business as a company, not as a sole trader or a trust. There are many benefits of operating as a company, but a big one is the company income tax rate which has been steadily decreasing over recent years. From 27.5% in 2020, to 26% in 2021 and down to 25% from 2022 onwards. Compare this to individual tax rates ranging from 32% (over $45k) up to a whopping 47% (over $190k) and you can see the benefits of using a company to control how much tax you pay in your own name.

Other benefits of a company also include limited liability, asset protection and ability to pay dividends in the future.

TIP 7

Structure your trading company to be owned by a family trust. Trusts can be tricky and are often misunderstood. They are also generally not the best entity to operate a business from. Where trusts really shine is when it comes to accumulating and protecting your family wealth. A trading company that runs your business will often be one of your biggest assets and key contributors to family wealth. The shares in any trading company should be owned by your family trust, not directly in your own name and/or your spouse's name.

Holding your shares in a family trust has two main benefits:

1) it provides a layer of asset protection since the valuable shares are no longer in your personal name, and 2) it allows for far greater flexibility, and legal tax minimisation.

A family trust is able to control who in your family ultimately pays tax on dividends flowing from the company - this is why family trusts are technically referred to as discretionary trusts. Who receives the trust distribution will depend on several factors specific to your circumstances.

The golden rule for effective, legal, tax minimisation using a family trust is to achieve the lowest average rate of tax across your entire family group - so it pays to utilise the tax brackets of each individual to the fullest extent.

TIP 8

Pay your employees' super on time.

If you pay super late it means you miss out on the tax deduction. To put this in perspective, if you operate as a company (25% tax rate), every $1,000 of late super will cost you $250 in real cash come tax time. In addition to that, the ATO will impose interest and penalties to late super.

We recommend paying super each pay cycle. This means you'll never be late and also avoids the need to find a big lump sum at end of quarter.

From 1 July, 2026, paying your employees' super with each pay cycle will be mandatory. To get a head start on this change, we recommend getting this in place sooner rather than later.

Another tip for super at year end is to pay any June quarter super before 30 June* (instead of when it's due, in July). This brings forward the tax benefit a whole year.

**When timing your contributions before 30 June, be sure to allow for processing time. We recommend allowing 7-10 days before, to ensure it's received and processed by 30 June.*

TIP 9

Keep a logbook for your business vehicles (including four-wheel drives and dual cab utes).

A compliant logbook is essential to maximise your motor vehicle deductions and support your claim if the ATO ever asks.

Record all business and personal trips for at least a 12-week period starting on or before 30 June. While it can be tedious, the good news is it only needs to be done once every five years—provided your usage remains consistent. Your logbook can be paper-based or a simple smartphone app.

TIP 10

Make the Most of an Electric Vehicle or Plug-in Hybrid: Disregard everything written in the previous tip about keeping a logbook if you're considering acquiring an Electric Vehicle (EV).

From 1 April 2025, plug-in hybrid electric vehicles (PHEVs) are no longer eligible for the exemption. Only fully electric vehicles qualify.

EVs are exempt from Fringe Benefits Tax (FBT), meaning no matter the private or business use, you can make the most of the tax benefits available. Whether you're leasing, financing or purchasing outright, your cost must be less than $91,387 (including GST, excluding on-road costs) for these rules to apply. It's also worth noting that the vehicle must be considered a "car" for FBT purposes (motorcycles, scooters and some utes do not qualify).

** Double check your quote with your accountant to confirm eligibility*

TIP 11

Bought a business during the year? Get a Depreciation Report.

Depreciation reports are well known by property investors as being a great way to maximise tax deductions each year. What's often overlooked is that **depreciation reports can be equally as attractive to purchasers of existing businesses.**

Say you purchase a business for $500,000, and that includes the goodwill, a lease and a variety of equipment and fixtures. A depreciation report will put a $ figure on the equipment and fixtures, which then allows you to claim depreciation on these expenses which would have otherwise sat unclaimed on the balance sheet indefinitely.

TIP 12

Defer income to next year (if it makes sense to do so). Deferring income until after 30 June means you pay tax on it next year, not this year. You can do this by holding off invoicing until 1 July, where appropriate.

TIP 13

Ensure a trust distribution resolution is prepared for your family trust before 30 June. Every year a family trust is required to consider who will receive a distribution of income before 30 June. Where this doesn't happen, the ATO requires the trust to pay a penalty rate of tax equal to the top marginal rate of 47% - obviously this should always be avoided.

It's important to genuinely consider the trust's position and prepare the trust distribution resolution before 30 June. It's not appropriate to prepare these retrospectively – a retrospective resolution is invalid.

It's also important to ensure that trust distribution resolutions are properly constructed. A poorly constructed document is equally as useless as no document at all. An accountant who is an expert on trusts and businesses will know what to do and what not to do.

Preparation of a trust distribution resolution is an essential part of the tax optimisation process for all clients at LINK Advisors. Tax optimisation occurs each year from April to June to ensure that all is in order before 30 June. This ensures the best possible result come tax time.

TIP 14

Bring forward expenses. Pay expenses before 30 June to get the benefit in this year's tax return. This does not apply to stock purchases, but basically any other business expense can be paid for by 30 June to allow you to claim a tax deduction this year.

TIP 15

Understand your tax timeline. It's always important to plan for future tax liabilities. No one likes surprises, so take the time to understand your tax position and set aside funds so you don't need to scramble come due date.

TIP 16

Keep your invoices and receipts. It's important to keep invoices and receipts to support your deductions. Apps like Dext make it easy to snap paper invoices with your smartphone or collect them directly from suppliers. Dext allows them to be automatically synced with Xero and filed away. It doesn't get any easier.

TIP 17

Prepay expenses.

Cashflow permitting, you can prepay expenses like interest and rent up to 12 months in advance to boost the tax benefit this financial year. This strategy is particularly useful where you have had a good year and are expecting a larger than usual tax bill.

TIP 18

Consider the timing of capital gains. Capital Gains Tax (CGT) applies to the profits you make on the sale of business and personal assets.

Assets subject to CGT include; businesses, investment properties, shares, crypto and other investments. Where you are selling assets, consider which tax year the sale will fall into (use contract date) and what your other income will be for that year.

It may pay to either defer triggering a capital gain until a later income year or to realise some capital losses to offset your capital gains. It's a great ideal to chat with your accountant before triggering any potential capital gains or losses.

TIP 19

Consider Private Health Insurance. High-income earners are subject to an additional Medicare Levy Surcharge if they do not have an appropriate level of private health insurance. If you are single and earning above $101,000 (or part of a couple with a joint income of $202,000), you will be charged an additional 1% to 1.5% of your taxable income if you don't have private health insurance that includes hospital cover. Extras only cover is not sufficient to avoid the Medicare Levy Surcharge. Best place to start looking for cover is privatehealth.gov.au.

TIP 20

Ensure that family trust distributions are low risk in the eyes of the ATO's new guidance.

Strategies that were once common practice and assessed as low risk, now need to be reconsidered in light of the ATO's new framework. Where a family (discretionary) trust is part of your group, it is critical to have a solid strategy around distributions which is tax effective, while not raising your ATO risk profile.

Critical requirements for trusts are an effective annual distribution resolution and ensuring that real economic benefits are flowing to those who are receiving the distribution on paper.

TIP 21

Beware of Fringe Benefits Tax (FBT). The ATO's FBT rules are in place to ensure that non cash benefits provided to employees (including those self employed in a company or trust) are taxed. FBT is applied to the employer (not the employee) at a rate of 47%, so wherever possible you want to avoid FBT. Where it cannot be avoided, then it needs to be minimised and factored into your annual operating budget.

Various exemptions and strategies exist to minimise or eliminate FBT, however there are few things that need to be done to make this happen based on the type of benefits being provided. Actions like record keeping and declarations are crucial to stay on top of FBT, so getting your accountant involved is a must.

TIP 22

Consider claiming a deduction for commissions or bonuses owed at 30 June. If you pay commissions, bonuses, and wages either monthly or fortnightly, review any amount you are legally committed to paying as at 30 June and accrue these as an expense for this financial year. This brings forward the tax deduction this year, even though they may not be physically payable until July.

A reminder regarding bonuses: to be deductible before being paid, there must be a definitive legal commitment to pay the liability, and the employee must have a legal entitlement to receive the bonus. Simply accruing an expected bonus isn't enough to claim a tax deduction before it's paid.

TIP 23

Boost Growth with R&D and Export Grants.

If your business is innovating or expanding overseas, don't miss out on government support. The R&D Tax Incentive can refund part of your development costs, while the Export Market Development Grant (EMDG) helps fund international marketing and promotion.

These programs can significantly reduce costs and support growth**—speak to us and we'll connect you with our expert partner** to maximise the benefit.

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Accountants delivering epic value.

We hope you found the tips in this book insightful. Remember, it's never too late to start taking advantage of tax benefits and strategies for your business. If you need any guidance or advice surrounding these tips, contact LINK Advisors and we can guide you through them.

Are you ready? Let's go!
Call us on **07 3899 8311**

Please note the advice contained in this document is general in nature. Always speak to an accountant about how these strategies apply to your specific circumstances.