

Year-End Tax Planning Guide

FOR BUSINESSES

2025

CONTENTS

Business Structure & Entity Review	Employee & Payroll Management
Income & Expense Management	Tax Credits & Offsets
Superannuation Planning	Capital Gains Tax (CGT) Planning
Asset Management & Deductions	Record-Keeping & Compliance
Fringe Benefits Tax (FBT) & Salary Packaging	End-of-Year Tax Planning

Business Structure & Entity Review



Review your business structure (sole trader, partnership, company, or trust) to ensure tax efficiency



Assess the advantages of using a **discretionary family trust** for income splitting and asset protection



Ensure the business has a valid **ABN**, and is registered for **GST** and **PAYG** withholding if required



Review tax implications of your current structure (corporate tax vs. individual tax rates) (subject to Div 7A)



Ensure your structure allows for **income splitting** (subject to Section 100A) if you are using a trust or company structure

Income & Expense Management



Bring forward **deductible expenses** like rent, utilities, office supplies, and subscriptions before **30 June**



Defer income to the next financial year, especially if cash flow allows



Prepay eligible expenses such as insurance and rent for up to 12 months

Income & Expense Management



Write off **bad debts** before year-end to claim deductions for the current year



Complete a **stocktake** and write down obsolete stock before year-end



Ensure **all expenses** related to business operations are documented (e.g. log book) and claimed (e.g. vehicle, travel)

Superannuation Planning



Ensure **superannuation contributions** are paid before 30 June for the current financial year



Maximise concessional super contributions up to \$30,000 (FY25 limit) including any prior year unused contributions



Consider **non-concessional contributions** up to \$120,000 or \$360,000 (bring-forward rule)



Pay your own super (business owners) before 30 June to claim a tax deduction and lodge **Notice of Intent (NOI)** to claim a deduction for personal super contribution

Asset Management & Deductions



Claim the Instant Asset Write-Off for eligible assets purchased before 30 June (threshold under \$20,000)



Use **Small Business Pool (SBE)** for new and used assets (if applicable)



Review Repairs and Maintenance expenses to ensure **capital expenditures** are properly classified for depreciation or immediate deductions



Write off obsolete or underperforming assets before 30 June to maximise deductions



Ensure **low-value pool** applies for assets under \$1,000 for accelerated depreciation (Non SBE)

Fringe Benefits Tax (FBT) & Salary Packaging



Review FBT obligations and provide FBT reporting if applicable



Review **company vehicles and other fringe benefits** provided to employees that may attract FBT



Ensure Motor Vehicle **log books** are kept up to date, with new log books required every five years

Employee & Payroll Management



Ensure **employee wages (including Bonuses and superannuation)** are paid before 30 June through **bank account** to deduct them in the current financial year



Ensure **correct PAYG withholding** is applied to employees' wages



Review employee superannuation contributions and ensure they meet the minimum rate (11.5% for FY25)



Finalise Single Touch Payroll (STP) and **Income Statement** by 14 July and ensure they are filed with the ATO

Tax Credits & Offsets



Claim the **Small Business Income Tax Offset** (if eligible) up to \$1,000 for businesses earning under \$5 million



Apply for R&D Tax Incentives if your business qualifies for research and development activities



Consider eligibility to register and claim **Fuel Tax Credits** for fuel used in business operations (e.g., machinery, transportation)



Maximise **franking credits** if paying dividends from a company to reduce overall tax liability

Capital Gains Tax (CGT) Planning



Review **capital gains position** and offset gains with capital losses



Apply the CGT **discount** (50% for individuals, 33.33% for SMSF) for eligible assets



Consider timing of **asset sales** to defer CGT to future years



Ensure you are eligible for **small business CGT concessions** when selling business assets

Record-Keeping & Compliance



Keep all business records (invoices, receipts) for a minimum of 5 years



Reconcile bank accounts and ensure income and expenses are accurately reported



File **Business Activity Statements (BAS)** and ensure they are paid on time



Complete a stocktake and ensure correct reporting of inventory levels



Ensure accurate **payroll and employee records** for superannuation and PAYG compliance

End-of-Year Tax Planning



Schedule a **meeting with your accountant** in May or June for year-end tax planning strategies



Review your profit and loss to estimate year-end taxable income and make adjustments



Determine **distribution of trust income** to beneficiaries before 30 June



Ensure dividends are declared before 30 June to take advantage of franking credits



Set up a director's loan agreement if drawing funds from a company

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