Year-End Tax Planning Guide

FOR INDIVIDUALS

2025

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Maximise Super Contributions

- [ ] The concessional contributions cap for 2024–25 is $30,000. **Contributing before EOFY** can reduce your tax bill, especially if you're on a high income.
- [ ] If your super balance is under $500,000, you may **carry forward unused cap amounts** from the past five years to make larger contributions.
- [ ] **Spouse contributions**: you may receive a tax offset of up to $540 by contributing to your low-income spouse's super (income under $40,000).
- [ ] **High-income earners** (over $250,000) may incur an additional 15% tax on super contributions (Division 293 tax), but this is still significantly lower than the top marginal tax rate of up to 47%.
- [ ] If you earn under $60,400 and **make a personal (after-tax) super contribution**, you may receive a government co-contribution of up to $500. To get the full amount, contribute $1,000 and earn below $41,112.

Maximise Rental Property & Investment Tax Benefits

- [ ] **Get a depreciation schedule** from a quantity surveyor to claim deductions for wear and tear on your investment property as this could save you thousands in tax.
- [ ] **Pay any property-related expenses** (e.g. insurance, body corporate fees, repairs) before 30 June 2025.

Maximise Rental Property & Investment Tax Benefits

- [ ] Consider **prepaying interest on investment loans.** Discuss with your financial institution to see if a lump sum prepayment is possible and beneficial for your situation.

- [ ] **Review how your investments are owned,** structures like family trusts can offer tax advantages. However, transferring ownership may trigger capital gains tax or stamp duty, so consult a professional first.

Offset Gains with Capital Losses

- [ ] If you've made a capital gain from selling an investment, consider **selling underperforming assets** to trigger a capital loss.

- [ ] **Capital losses** can offset capital gains, reducing the tax you owe. This strategy can also help free up funds for better investment opportunities.

Claim Work-Related Deductions

- [ ] **Claim a fixed rate of $0.70 per hour** for working from home to cover electricity, internet, phone use, and office supplies, no need to calculate each item separately.

- [ ] Keep a log of hours worked at home (e.g. timesheets or diary entries) to support your claim.

Claim Work-Related Deductions

- [ ] Additional work-related expenses like uniforms, training, stationery, and tools can be deductible if they're directly tied to your job.

- [ ] To claim a deduction, you must: have paid for the expense yourself (not reimbursed), ensure it is directly related to earning your income, and keep valid records or receipts.

- [ ] If your employer paid you a work-from-home allowance, you must declare it as income and then claim relevant deductions separately.

- [ ] Use a logbook to track work-related car use or claim up to 5,000 km at $0.88/km without one (if usage can be reasonably justified).

Bring Forward Deductible Expenses

- [ ] To reduce your taxable income for the 2024–25 financial year, individuals earning rental or investment income may consider prepaying certain deductible expenses.

- [ ] **Prepay deductible expenses** such as: interest on investment loans (e.g. for property or a share portfolio), rent on an investment property (up to 12 months in advance), accounting fees, subscriptions, professional memberships, and donations to registered deductible gift recipients.

- [ ] **Pay next year's loan interest** before 30 June to bring forward the tax deduction and reduce this year's taxable income. Speak with your bank or lender to arrange this.

Bring Forward Deductible Expenses

- [ ] **Premiums for income protection insurance** are tax-deductible and offer peace of mind. Consider prepaying to claim the deduction this year.
- [ ] Make sure payments are made before 30 June 2025 and keep clear records. Contact us if you have any questions.

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