

With tax season upon us, it's essential to take some proactive steps to ensure you're optimising your tax return. Whether you're an individual taxpayer or managing taxes for a business, strategic planning and awareness of tax laws can significantly impact your financial outcomes. Consider these professional tips for optimising your tax return:

1. Organise your documentation

If you haven't already, start gathering all necessary documents, including PAYG summaries, receipts for work-related expenses, investment statements, and records of charitable donations. Organising your paperwork early ensures you can claim all eligible deductions and credits.

2. Claim All Eligible Deductions

Deductions are available for a wide range of expenses, including work-related expenses, self-education expenses, charitable donations, and income protection insurance premiums. Keep detailed records and receipts to substantiate your claims.

3. Optimise Superannuation Contributions

Depending on your personal circumstances, it could be worthwhile contributing to superannuation if you are eligible and have the capacity to do so (contribution limits).

If you intend to claim a Concessional Contribution, you will need to ensure you have advised your Superannuation Fund of your intention to make such a claim (using a Notice of Intent to Claim form), and have received confirmation from your fund of this, before doing your tax return for the year.

Contributing to your superannuation (super) fund is an effective way to save for retirement but also offers immediate tax benefits. Salary sacrificing into your super fund can reduce your taxable income, potentially lowering your tax liability.

4. Take Advantage of Tax Offsets and Credits

Tax offsets (formerly known as rebates) directly reduce the amount of tax payable on your taxable income. Some common offsets include the Seniors and Pensioners Tax Offset (SAPTO), and the Small Business Income Tax Offset (SBITO). Research which offsets you qualify for and ensure they are claimed correctly.

5. Stay Informed About Tax Law Changes

Australian tax laws can change annually, impacting deductions, offsets, and rates. Stay updated with changes announced in the Federal Budget or seek advice from a tax professional to ensure you're leveraging all available opportunities.

This year the Stage 3 tax cuts came into effect from 1 July 2024. Whilst this won't affect your tax liability for the last financial year, this may provide an opportunity to discuss some planning opportunities with your Financial Adviser.

6. Plan Ahead for Next Year

Use this tax season as an opportunity to plan for the future. Consider strategies like contributing to your spouse's super fund to qualify for spouse contributions tax offset or adjusting your salary sacrifice arrangements for the next financial year.

Take Action Today!

Tax time doesn't have to be a daunting experience. By staying informed, organising your documentation, optimising deductions, and considering superannuation strategies, you can navigate tax season with confidence and potentially increase your returns. Remember, seeking professional tax return advice and timely lodgement are crucial elements of a successful tax filing process. With our tax time tips in mind, you can set yourself up for financial success.

Book an appointment with a Fiducian Financial Services financial adviser to discuss how we can assist you in navigating through this tax season and prepare for the next to optimise your return, now and into the future.