Are you ready for the end of the financial year?

TAX PLANNING FOR 2026 FINANCIAL YEAR

- **CAPITAL GAINS ON PROPERTY / LAND -** Look into maximising your Super Carry Forward Concessional amounts pre 30/6/26 – this will definitely help reduce your capital gains tax payable – for more information or calculations – please contact our office, of course if you wish to pay into your super – this would need to be done by 24/6/26.
- **SUPER TAX DEDUCTIONS –** Bring forward/catch up super deductions are still around. To be eligible to claim super as a tax deduction for the 2026 year, these contributions must be received by your superfund by 24/6/26 and your total super balance must be under $500,000 as at 30/6/25. You may need to seek financial advice if this is relevant to you. 2026 year concessional limit is $30,000 and will increase to $32,500 for the 2027 year.
- **BUSINESS EXPENSES –** Sole Traders / Businesses can look at pre-paying business expenses to reduce profits in 2026 year. Plant & equipment purchased must be installed and ready for use prior to being able to claim tax deduction as an Instant Asset Write Off which is confirmed as $20,000 for the 2026 and future years.
- **ATO GENERAL INTEREST CHARGE –** as of 1/7/25 general interest charges applied to tax debts will no longer be deductible. (keep on top of your Tax Liabilities – ATO GIC charges 14%)

BUSINESS / INDIVIDUAL & PERSONAL CHANGES & INFORMATION

- **Higher Tax Thresholds – From 1/7/26** 0-18,200 – NIL 18201 – 45,000 15c 45,001-135,000 30c 135,001 – 190,000 37c 190,001 & above 45c (plus medicare levy 2%). The tax rate for individuals earning between $18,201-$45,000 will reduce to 14c as of 1/7/27.
- **Depreciation –** Instant Asset Write Off of $20,000 has now been legislated and will remain. Depreciation car cost limit for 2026 year is $69,674* "Workhorse vehicles" ie 4x4 Utes are exempt from depreciation cost limits for cars and are 100% depreciable based on recorded log book use percentages. EV Vehicles purchased are also exempt from FBT obligations for businesses.
- **Apprentice/trainee wages** subsidies received are all assessable income and need to be declared as income in the tax return. However, no GST is payable on these payments.
- **Work From Home Deductions** require <u>all hours to be logged for the entire income year</u>, together with total Electricity & Gas paid for the year. ATO Rate is still .70 per hour or actual cost method – check out our home office tax tips.
- **Motor vehicle deductions** using the cents per kilometre method is still .88 per Km up to 5000 Km max, under the cents per kilometre method, you still need to be able to justify the Kms claimed via log book or similar.
- **Super –** From 1/7/26 – Payday super will be implemented and all employers will need to be paying their employees super on the same day as their wages. All employees (18 and over) will be paid super on their ordinary earnings.
- ATO has implemented changes to the **HECS repayment system** to take effect from 1/7/25. Minium HECS repayment threshold to increase to $67,000 in the 2026 income year.

For more tax tips and resources, please check out our website or contact us.

Southside Tax Services
Professional Reliable Friendly

7 / 201 Main South Rd
PO Box 425
Morphett Vale SA 5162
08 8326 0022
08 8382 0296
admin@southsidetaxservices.com.au
www.southsidetaxservices.com.au