YEAR-END

PLANNING GUIDE

JUNE

2025

www.mgiadelaide.com
reception@mgiadelaide.com.au

Introduction

With 30 June fast approaching, we thought it would be an opportune time to provide you with a Year-End Planning memorandum. This document details key dates, recent reforms and tax planning opportunities that may affect you and your business.

Please do not hesitate to contact our office if there is any further information we can provide for your business, or if you would like a review of your individual or superannuation situation prior to year-end.

Summary

- Ensure payments are received by employee's super fund prior to 30 June 2025 to claim a tax deduction in the current financial year.
- Trustee resolutions need to be completed and signed to be able to distribute trust income for the 2025 financial year to beneficiaries. Ensure Tax File Numbers have been received from beneficiaries.
- Small businesses should consider buying plant and equipment up to $20,000 per asset to utilise the Instant Asset Write Off.
- Make division 7A minimum yearly repayments, if not already done.
- Review trade debtors and write off bad debts.
- Consider repairs before the year-end.
- Consider pre-paying expenses. A tax deduction is generally allowed where the payment is made before 30 June for services to be rendered within a 12-month period.
- Consider maximising the superannuation concessional cap and carried forward rules.

Key Dates

Income tax return due dates

Due date	Entity Description
31 October 2025	All entities if one or more prior year returns were outstanding as at 30 June 2025
31 January 2026	Taxable large and medium entities as per the latest year lodged (all entities other than individuals) The taxable head company of a consolidated group (including a new registrant) that has a member who has been deemed a large or medium entity in the latest year lodged **Payment for companies and super funds with a 31 January due date is 1 December 2025**
28 February 2026	Non-taxable large and medium entities as per the latest year lodged (except individuals) New registrant (taxable and non-taxable) large or medium entities (except individuals) New registrant self-managed superannuation funds Non-taxable head company of a consolidated group, including a new registrant, that has a member who has been deemed a large or medium entity in the latest year lodged Any member of a consolidated group who exits the consolidated group for any period during the year of income
31 March 2026	Companies and super funds with total income of more than $2 million in the latest year lodged (excluding large and medium taxpayers) The head company of a consolidated group (excluding large and medium), with a member who had a total income in excess of $2 million in their latest year lodged Individuals and trusts whose latest return resulted in a tax liability of $20,000 or more, excluding large and medium trusts.
15 May 2026	All entities that did not have to lodge earlier (including all remaining consolidated groups) and are not eligible for the 5 June concession
5 June 2026	Individuals and trusts with a lodgement due date of 15 May 2026 provided they also pay any liability due by 5 June 2026 All entities with a lodgement due date of 15 May 2026 if the tax return is not required earlier and both of the following criteria are met: • non-taxable or a credit assessment in latest year lodged • non-taxable or receiving a credit assessment in the current year

Key Dates

Other lodgement dates

Due date	Entity Description
14 July 2025	Finalisation declaration for Single Touch Payroll required
31 July 2025	Lodge Venture capital deficit tax return for June balancers Lodge Franking account return for 30 June balancers if there is an amount payable Lodge Early stage innovation company report Lodge Community housing provider annual report
14 August 2025	Lodge PAYG withholding payment summary annual report for • large withholders whose annual withholding is greater than $1 million • payers who have no tax agent or BAS agent involved in preparing the report.
28 August 2025	Lodge Taxable payments annual report (TPAR) for payments made to contractors for providing services
30 September 2025	Lodge PAYG withholding payment summary annual report if prepared by a BAS agent or tax agent excluding large withholders whose annual withholding is greater than $1 million Lodge Annual TFN withholding report 2025 if a trustee of a closely held trust has been required to withhold amounts from payments to beneficiaries
25 June 2026	Lodge and pay 2026 Fringe benefits tax annual return for tax agents if lodging electronically

Super Quarter	Super due date	Super Guarantee Charge Due Date
1 July - 30 September	28 October	28 November
1 October - 31 December	28 January	28 February
1 January - 31 March	28 April	28 May
1 April - 30 June	28 July	28 August

Trading Stock

Performing a stocktake will determine any increases/decreases in assessable income and provide you with an insight as to the value of stock at year-end.

A stocktake involves physically counting stock and valuing each item by using one of the following three methods:

- Cost Price – Purchase price in addition to other costs such as freight, insurance, duties and delivery charges to bring the stock to its current condition;
- Market Selling Value – Current value of stock if sold in the normal course of business; and
- Replacement Value – Cost on the last day of the financial year to obtain an almost identical item.

You can choose a different method each year for different items of stock.

Please contact us should you require further information regarding the taxable treatment of stock.

Capital Gains

If in the 2025 Financial year, you have sold/transferred property, assets or other rights you may need to consider the Capital Gains Tax (CGT) implications of the disposal including whether you have access to the losses, the 50% discount, Small Business CGT Concessions or other methods to reduce the impact of the gain.

Identifying these events prior to 30 June 2025 allows us to determine the potential taxable impact and provides time to gather the necessary substantiation required as part of the year-end compliance.

It is important to note the ATO is becoming more sophisticated in identifying any sale or transfer of assets, in particular, Cryptocurrencies. If you are trading Cryptocurrencies through a centralised exchange in Australia, it is likely the ATO will have access to the details of any sales or transfers.

If you believe a CGT event may have occurred or is about to occur, please contact our office for further information.

Asset Depreciation

The end of financial year provides a great opportunity to analyse any current assets held and determine whether:

- Any obsolete assets can be scrapped/written off;
- Repair/Maintenance works can be conducted to extend the useful life of assets; and
- Full replacement of obsolete assets is necessary.

In considering the purchase of new assets:

- Assets with a value of less than $1,000 can be allocated to a low-value asset pool.

Investment Property Depreciation

If you own a commercial business property and haven't already done so, arrange for the preparation of a Property Depreciation Report to allow you to claim the maximum amount of depreciation and building write-off deductions on your property.

Immediate Assets Write-Off

Small businesses, with an aggregated turnover of less than $10 million, will be able to immediately deduct the full cost of eligible assets costing less than $20,000 that are first used or installed ready for use between 1 July 2024 and 30 June 2025.

If you are planning on purchasing a motor vehicle depreciation cost limit for the 2024-25 financial year is $69,674

.

Please contact us should you require any further specifics in relation to assets and depreciation, including whether your business qualifies for the instant asset write off.

Sale of Assets

Until 30 June 2023, many businesses were able to claim 100% of assets purchased under the temporary full expensing or instant asset write off tax laws.

When these assets are eventually sold, the amount received for it will be included in your income for the year, and any replacement asset you buy will generally be depreciated if it is $20,000 or more.

Division 7A, Dividends & Trusts

As with every year, general year-end tax planning includes:

- Consideration of any Division 7A impacts – including repayments required and loan agreements being put in place to avoid deemed dividends being triggered;
- Trustee Resolutions – ensuring these are made and signed by 30 June 2025 or earlier if required by the trust deed, after perusal of the deed and taking into account the definition of income provided;
- Dividends – ensuring these are declared with statements/resolutions signed by 30 June 2025; and
- TFN Reports – lodging these reports for minors who have turned 18 during the 2025 financial year in addition to non-resident beneficiaries who became residents.

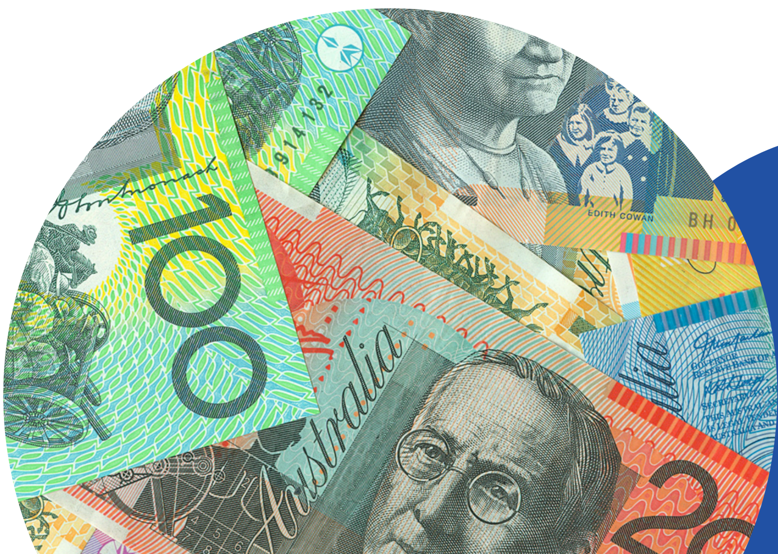
Division 7A benchmark interest rate is 8.77% for 2024-2025

For Unpaid Present Entitlements (UPEs) that arose in the 2024 tax year:

- conversion to loan in 2025 year;
- due date for any repayment or written agreement – earlier of due date or lodgement date of 2025 tax return;
- where loan agreement, first repayment by 30 June 2026

For UPES arising in the 2025 tax year:

- conversion to loan in 2026 year;
- due date for any repayment or written agreement – earlier of due date or lodgement date of 2026 tax return;
- where loan agreement, first repayment by 30 June 2027



Superannuation Minimum Pension Payments

Members with pension accounts during the year ended 30 June 2025 must withdraw a minimum amount of pension from their super fund's pension account prior to 30 June 2025. The minimum pension is calculated based on age and percentage of your pension account balances as at 1 July 2024 and are set by the Federal Government.

Age	Minimum Pension %
Under 65	4.00%
65 - 74	5.00%
75 - 79	6.00%
80- 84	7.00%
85 - 89	9.00%
90- 94	11.00%
95+	14.00%

Superannuation Concessional Contributions (CC)

Concessional contributions (CC) include:

- employer contributions (including contributions made under a salary sacrifice arrangement)
- personal contributions claimed as a tax deduction.

Income Year	Your CC Cap
2024 - 2025	$30,000

From 1 July 2023, if you are under 75 years old, you will no longer need to meet the work test to make or receive non-concessional super contributions and salary sacrifice contributions. If you are 67 to 74 years old, you will however be required to meet the work test in order to claim a personal superannuation contribution deduction.

To meet the work test, you must be gainfully employed for at least 40 hours during a consecutive 30-day period in the financial year in which the contributions are made.

If you are 75 years or older, the super fund can only accept mandated (super guarantee) employer contributions.

For the 2024-2025 year, an individual is liable to pay Division 293 tax if the sum of their adjusted taxable income and their low tax contributions is greater than $250,000. Division 293 tax will be charged at 15% of an individual’s taxable CC that is above the $250,000 threshold.

Unused concessional cap carry forward/catch-up concessional contributions

If you make or receive CC of less than the annual cap of $30,000, you may be able to accrue these unused amounts and carry forward for use in subsequent financial years (catch-up CC).

Catch-up CC can accrue from 2018/19. Unused cap amounts can be carried forward for up to five years before they expire. To be eligible to make catch-up CCs, one criterion is your total super balance must be below $500,000 at 30 June of the previous financial year.

Superannuation Concessional Contributions (CC)

To claim a tax deduction in the 2025 financial year, you need to ensure that your employee superannuation payments are received by the super fund or the Small Business Superannuation Clearing House (SBSCH) by 30 June 2025.

You should avoid making last minute superannuation payments as processing delays may cause them to be received after year-end. If for any reasons you end up having to make last minute payments and you would like to claim them as deductions for the current year, contact us immediately and before you make any payments for possible resolutions.

If you have reached the eligible age, as noted in the table below, you may be able to contribute up to $300,000 from the proceeds of the sale (or part sale) of your home into your superannuation fund.

The home is required to have been owned for at least 10 years by you or your spouse and to have been your main residence. The contribution must be made within 90 days of settlement.

Please contact our office prior to making this contribution so we can assist in reviewing your eligibility for this contribution.

Superannuation Non-concessional Contributions (NCC)

The non-concessional contribution cap for the year ending 30 June 2025 is $110,000. However, if you are 75 years or older, the super fund cannot accept any voluntary non-concessional contributions from you.

If your total superannuation balance (Transfer Balance Cap) is $1.9 million or more as at 30 June 2024, you will no longer be eligible to make non-concessional contributions or you may be penalised. The indexation will occur on 1 July 2025. This cap will increase by $100,000 from $1.9 million to $2 million

Bring Forward Rule Caps

You can bring forward non-concessional contributions from future years to increase the caps under certain circumstances:

- you must be under 75 years of age
- your super balance must be less than the amounts show below

After1 July 2023	
Total Super Balance (TSB)	**Contribution and bring forward available**
< $1.68M	$330,000
$1.68M–$1.79M	$220,000
$1.79M–$1.9M	$110,000
Above $1.9M	Nil

Please contact our office prior to making NCC contributions so we can assist in reviewing your caps and eligibility.

Small business entity concessions

A small business entity (SBE) is a sole trader, partnership, company or trust that operates a business for all or part of the income year and has a turnover of less than $10 million (the turnover threshold).

The main concessions available to an SBE in the 2024-2025 year are:

- Simplified depreciation rules
- Instant Asset Write-off limit of $20,000 per asset
- Immediate deduction for prepaid expenses
- Deduction for professional expenses for start-ups
- Lower company tax rates
- Simplified trading stock rules
- PAYG instalment concessions
- A four-year amendment period
- Excise concession
- Small business restructure rollover
- FBT car parking exemption
- FBT work-related devices exemption
- Superannuation clearing house

Should you wish to discuss any of the SBE concessions that may be applicable to your business, please contact us.

Corporate taxpayers

Corporate Tax Rates

The company tax rate for base rate entities (BRE) has remained at 25% for the 2024-2025 year.

A base rate entity is a company with aggregated turnover of less than $50 million that derives 80% or less of its income from dividends, interest, royalties, rent and net capital gains.

Dividends declared will be franked at the rate of 25%.

For a company that is not a BRE the tax rate is 30%. Accordingly, its dividends will be franked at the rate of 30%.

Individual Taxpayers

Marginal income brackets

For the 2024-25 financial year, the marginal income tax brackets for a resident individual have remained unchanged and are as follows:

Residents:

Taxable Income	Tax on this Income
0 - $18,200	Nil
$18,201 - $45,000	19 cents for each $1 over $18,200
$45,001 - $120,000	$5,092 plus 32.5 cents for each $1 over $45,000
$120,001 - $180,000	$29,467 plus 37 cents for each $1 over $120,000
$180,001 and over	$51,667 plus 45 cents for each $1 over $180,000

The above rates do not include the Medicare levy of 2%.

Non-residents:

Taxable Income	Tax on this Income
0 - $120,000	32.5 cents for each $1
$120,001 - $180,000	$39,000 plus 37 cents for each $1 over $120,000
$180,001 and over	$61,200 plus 45 cents for each $1 over $180,000

Individual taxpayers

Tax Offsets

There is no change to the Low Income Offset, which is up to $700 for taxpayers earning taxable income under $66,667.

Work-related deductions

The fixed-rate method allows a deduction of $0.67 per work hour which covers the following costs:

- home and mobile internet or data expenses
- mobile and home phone usage expenses
- electricity and gas (energy expenses) for heating, cooling and lighting
- stationery and computer consumables such as printer ink and paper

Cents per km deduction for car expenses is increased to $0.88 per business km travelled for 2023-2024.

HECS-HELP Study debts indexation

While HECS-HELP Study debts are interest free, such loans are subject to indexation, which adjusts debts each year in line with inflation. The HECS indexation of 3.2% will be applied on 1 June 2025.

FBT exemption for electric vehicles

From 1 July 2022, a car benefit exemption for FBT purposes was allowed, if the car was considered an eligible zero or low emissions vehicle.

A car benefit is an exempt benefit if:

- the car is a zero or low emissions vehicle
- the first time the car is both held and used is on or after 1 July 2022
- the car is used by a current employee or their associates (such as family members)
- luxury car tax (LCT) has never been payable on the importation or sale of the car.

Zero or low emission vehicle is defined as a motor vehicle that:

Battery electric vehicle	uses only an electric motor for propulsion and is fitted with neither a fuel cell nor an internal combustion engine.
Hydrogen fuel cell electric vehicle	uses an electric motor for propulsion and is equipped with a fuel cell for converting hydrogen to electricity and is not fitted with an internal combustion engine.
Plug-in hybrid electric vehicle	uses an electric motor for propulsion and takes and stores energy from an external source of electricity and is fitted with an internal combustion engine for either or both of the generation of electrical energy or propulsion of the vehicle. From 1 April 2025, a plug-in hybrid electric vehicle will not be considered a zero or low emissions vehicle under FBT law. However, you can continue to apply the exemption in certain conditions.
Car with less than one tonne carry load	is a car designed to carry a load of less than one tonne and fewer than 9 passengers (including the driver). Motorcycles and scooters are not cars for FBT purposes and do not qualify for the exemption, even if they are electric.

The benefit is still a reportable fringe benefit. This means that while EV is exempt from FBT, the notional taxable value of the benefits associated with the private use will need to be calculated.

FBT exemption for electric vehicles

The benefit exempted from FBT includes any associated benefit in running a car i.e.

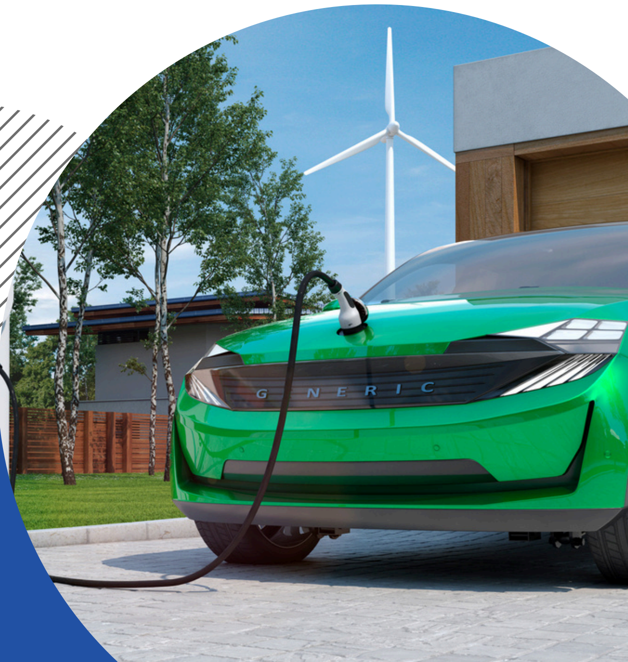
- registration
- insurance
- repair or maintenance
- fuel (including electricity to charge and run electric cars)
    - there is also an optional methodology for calculating cost of electricity when vehicle (other than a plugin hybrid) is charged at employee's or individual's home with a rate of 4.20 cents/km

A home charging station is not a car expense, and would be considered either:

- property fringe benefit
- expense payment fringe benefit

Tax implications:

- GST – input tax credits are limited to car limit (for 2024FY – GST cap is $6,334 as 1/11 of $69,674);
- Income tax considerations - Allowable deductions for expenditure incurred even if benefit is FBT exempt.



Section 100A Reimbursement Agreements

Section 100A of the ITAA 1936 is an anti-avoidance provision which, subject to the ordinary dealing exception, applies in cases where a beneficiary has become presently entitled to trust income where it has been agreed that another person will benefit, and that agreement is made by any of its parties with a purpose that some person will pay less or no income tax as a result, in a particular year of income.

Consequences of s. 100A:

- Beneficiary deemed not to be, and never to have been, presently entitled to the trust income
- Where beneficiary was paid that share, or it was applied for their benefit, it will be deemed not to have been so paid or applied
- The deeming under s. 100A does not extend to treat an entitlement as having arisen for another person (such as a default beneficiary)
- Div 6 consequences - trustee is assessed and liable to pay tax on the proportionate share of the net income of the trust which is subject to s. 100A deeming
- Capital gains and franked distributions – results in no beneficiary being specifically entitled to that gain or distribution

According to the ATO PCG 2022/2 the examples of high-risk scenarios are:

1. Arrangements where the presently entitled beneficiary lends or gifts some or all of their entitlement to another party
2. Arrangements where trust income is returned to the trust by the beneficiary in the form of assessable income
3. Arrangements where the presently entitled beneficiary is issued units by the trustee or related trust and the amount owed for the units is set-off against the beneficiary's entitlements
4. Arrangements where the share of net income include in a beneficiary's net income is significantly more than the beneficiary's entitlement
5. Arrangements where the presently entitled beneficiary has losses and is outside the family group
6. Arrangements subject to a Taxpayer Alert

To assess the level of risk regarding your group's trust distribution arrangements and to mitigate application of s.100A, please contact us.

What is Changing from 1 July 2025?

Change to the superannuation guarantee rate to 12%

From the 1 July 2025, the Superannuation Guarantee (SG) rate will increase to 12% up from 11.5% in the last financial year.

If you currently have employees, the impact of this will depend on your employment agreements. If the employment agreement states the employee is paid on a 'total remuneration' basis (base plus SG and any other allowances), then the employee's take home pay may reduce by 0.5%. That is, a greater percentage of their remuneration will be directed to their superannuation fund. On the other hand, for your employees who are paid a rate plus superannuation, then their take home pay will remain unchanged and the 0.5% increase will be added to their SG payments.

Resident Tax rates 2025 - 2026:

Taxable Income ($)	Tax Payable ($)
0 - 18,200	Nil
18,201 - 45,000	Nil + 15% of excess over 18,200
45,001 - 135,000	4,020 + 30% of excess over 45,000
135,001 - 190,000	31,020 + 37% of excess over 135,000
190,001 +	51,370 + 45% of excess over 190,000

Foreign Resident rates 2025 - 2026:

Taxable Income ($)	Tax Payable ($)
0 - 135,000	30%
135,001 - 190,000	40,500 + 37% of excess over 135,000
190,001 +	60,850 + 45% of excess over 190,000

Contact us

(08) 8299 8888

reception@mgiadelaide.com.au

mgi adelaide