

# It's a taxing time for small operators

**T**OO many Gold Coast businesses are being crippled by unnecessary tax bills because of poor tax planning, according to chartered accountants International Professional Services.

"It's not so much a case of planning to fail, as failing to plan," said director John Illingworth.

Mr Illingworth said year-end tax planning should ideally start at the beginning of each financial year rather than being left to the last minute.

"Gold Coast taxpayers could reduce hefty tax liabilities by carefully analysing their taxable position and reviewing taxation strategies before the end of the financial year."

Mr Illingworth said there was no reason for anyone to pay one cent more tax than they legitimately needed to.

"The taxation system is not in place to penalise taxpayers. However, too many businesses are so busy doing what they do best they

overlook the fundamental importance of tax planning.

"The results can be disastrous."

Dean Milner from DTax said that preparing records for an accountant for the end of the financial year depended on the method of record-keeping used.

"If you are using a computerised accounting package such as MYOB or Quickbooks, make sure your bank accounts are reconciled and that you have entered bills and invoices that you have not paid or not received yet," he said.

"Make sure you have paid enough superannuation on wages if you prepare your own employee payment summaries and that the total wages and withholding recorded in your system match the end-of-year payment summaries.

"If you use a more manual set of accounts you should supply your accountant with all the source

documents you used to prepare your records.

"One of the more common areas of missed information is the purchase and sale of assets and the finance attached.

"Your accountant needs to know the type of finance to calculate the interest and what type of asset you purchased to calculate depreciation."

## fast facts

- Taxpayers driving to and from their tax agent can claim mileage of between 58c to 64c per km
- A full tax deduction can be claimed for income protection insurance
- The more records you supply your accountant the less it will cost for your tax return to be prepared
- For more information on taxation matters go to [www.ato.gov.au](http://www.ato.gov.au)



With the right planning, the end of financial year shouldn't be a headache



Accountant John Illingworth