

APRIL, 2022

NEWSLETTER



Express Vehicle Finance

As we approach the end of financial year many self-employed people begin to consider ways to reduce their tax liability before we reach June 30. A very common strategy is the pre-June 30 purchase of business equipment - most commonly motor vehicles.

This strategy is remains just as attractive this financial year with the "temporary full expensing" options for business continuing until at least 30 June 2023.

This is a very busy time of year for car dealerships and finance companies alike. It is not uncommon for some financiers to do as much as 40% of their entire year's vehicle financing in the last 8 weeks of the financial year. One of the methods they brought in to manage this end of financial year rush is EXPRESS VEHICLE FINANCE.



If you can satisfy the following EXPRESS VEHICLE FINANCE criteria some lenders will provide up to \$150,000 in equipment finance (including cars) without the need for financials:

- You are an ABN holder & have been GST registered for a minimum 2 years.
- You are a homeowner (or paying off a mortgage).
- You do not owe money to the Australian Tax Office.
- You do not have an adverse credit history

The interest rates are sharp and turnaround is very fast by comparison. So fast you will, in many cases, have your car within a couple of weeks.

Accountplan has arrangements with most of Australia's largest equipment finance providers so we can help you secure that business asset and reduce your tax. Call us on 07 3883 8999 to get started.

Tips to Reduce Tax Before June 30th

As we are now into April you might think that it's too late to do anything to reduce your tax before June 30, right? Well, the good news is that there is still time to get organised and to save with these tips you can still implement before 30th June in order to reduce that tax burden.

- Contribute money to super up to your cap. If you are employed, consider salary sacrificing a lump sum into your super.
- For small business, prepay such debts as rent, licenses, insurance and interest.
- Check to see if you are carrying bad debts, if so, write them off to claim a deduction.
- Consider advertising and/or sponsorship.
- Pay employee super entitlements on time. Failure to pay super contributions on time not only can be costly with extra ATO compliance but it also makes the super guarantee NOT DEDUCTIBLE.
- If you have obsolete stock either scrap it or even better donate it. Either method will result in a tax deduction.
- Defer invoicing until after June 30 hence reducing income to declare this financial year.
- Purchase a business asset and claim the instant write-off.

For further information on the above please call us on 07 3883 8999 so one of our experienced tax professionals can review your options with you.



Re-Contribution of COVID-19 Early Release Super Amounts

Individuals can now re-contribute amounts they withdrew under the COVID-19 early release of super program without them counting towards their non-concessional contributions cap. These contributions can be made between 1 July 2021 and 30 June 2030, to any fund of their choice (where the fund rules allow).

Listed below are some of the Frequently Asked Questions regarding the re-contributions.

Q: What do you need to do?

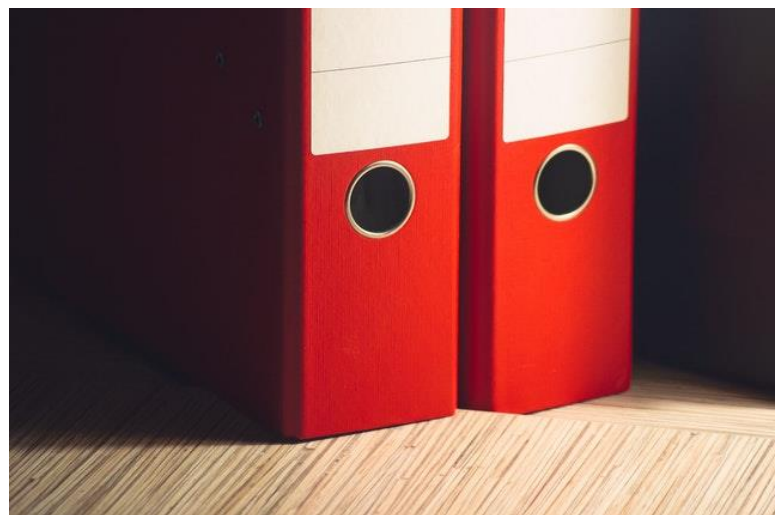
A: You can use the ATOs [approved form](#) to make a COVID-19 re-contribution or a form supplied by your Super Fund. Regardless of which form you use you send the completed form to your Super Fund.

Q: What happens then?

A: Your Super Fund will then assess your request to confirm you meet the criteria:

- that you received COVID-19 early release superannuation amounts.
- the amount re-contributed in this notice, in addition to any previous re-contributed amounts, is not more than the total of your COVID-19 early release amounts.

If you meet the criteria they will notify you of same and lodge your notice with the ATO. You then make the corresponding lodgement to your Super Fund.



Q: Can you make a COVID-19 re-contribution without the approved form?

A: No. Individuals choosing to make a COVID-19 re-contribution must use either the ATO form or one supplied by their Super Fund.

Q: Do you have to make a COVID-19 re-contribution to the same fund from which you accessed funds through the COVID-19 early release measure?

A: No, you can make COVID-19 re-contributions to any fund of your choice (where the fund rules allow).

Q: Can you make multiple COVID-19 re-contributions?

A: Yes, multiple contributions can be made. For example:

Sam lodges the COVID-19 re-contribution form with their fund on 23 August 2025 declaring an amount of \$20,000 to be a COVID -19 re-contribution on:

- 30 August 2025 Sam makes a contribution of \$5,000
- 15 December 2025 Sam makes a contribution of \$10,000
- 3 May 2026 Sam makes a contribution of \$5,000

As Sam has lodged the approved form on or before the contributions were made each of those contributions will be treated as a COVID-19 re-contribution.

If you are unsure regarding the above, please speak to your tax professional or financial planner prior to making any such contribution. As always, the friendly team here at Accountplan are available to assist, call us on 07 3883 8999.



Removing the \$450 Per Month Threshold for Super Guarantee Eligibility

On 11 May 2021, as part of the 2021–22 federal Budget, the Australian Government announced it will remove the \$450 per month threshold to expand coverage of super guarantee to eligible employees regardless of their monthly pay.

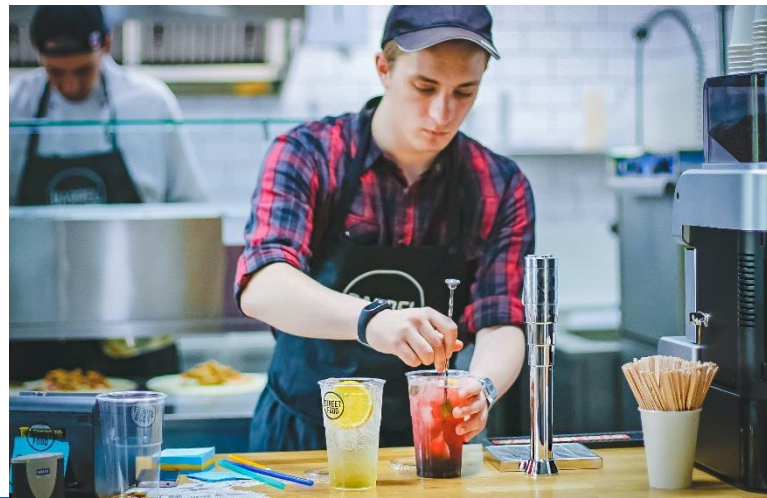
The change is now law, and from 1 July 2022, employers will be required to make super guarantee contributions to their eligible employee's super fund regardless of how much the employee is paid. Employees must still satisfy other super guarantee eligibility requirements.

Employers will need to check their payroll and accounting systems have been updated for super payments made after 1 July 2022 to ensure they correctly calculate their employee's super guarantee entitlement.

The ATO will update their advice and guidance, including online tools and calculators on 1 July 2022 to account for this change.

If you are unsure regarding the above, please speak to your tax professional or bookkeeper for guidance.

The Accountplan team are available to assist, call us on 07 3883 8999.



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