

PROPOSED TAX CUTS

*Year End
Strategies for
Businesses*

2-minute read



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- Reducing tax rate from 19% to 16%.
- Lowering the 32.5% tax rate to 30%.
- 37% threshold tax rate changing from \$120,000 to \$135,000.
- 45% threshold tax rate changing from \$180,000 to \$190,000

Example: Joe earns \$80,000 a year. Under the proposed rate changes he will now receive a tax cut of \$1679 instead of \$875. Bobby earns \$200,000 a year. Under the proposed rate changes she will now receive a tax cut of \$4529 instead of \$9075.

YEAR END STRATEGIES

- **REVIEW INVOICING:** Consider postponing some invoicing until 1 July 2024 if allowable for your business.
- **BAD DEBTS:** Review debtors and write off any genuine bad debts that won't be recovered. These can be deducted in the current year if written off before year-end.
- **DELAY DIVIDENDS:** If your private company plans to declare a dividend before 30 June 2024, delaying the payment until 1 July 2024 allows the dividend to be taxed under the new marginal tax rates for individual shareholders.

Consult a tax professional for personalised advice based on your specific circumstances.

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Source links: [ATO.GOV.AU](https://www.ato.gov.au) [RSM GLOBAL](https://www.rsmglobal.com)

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