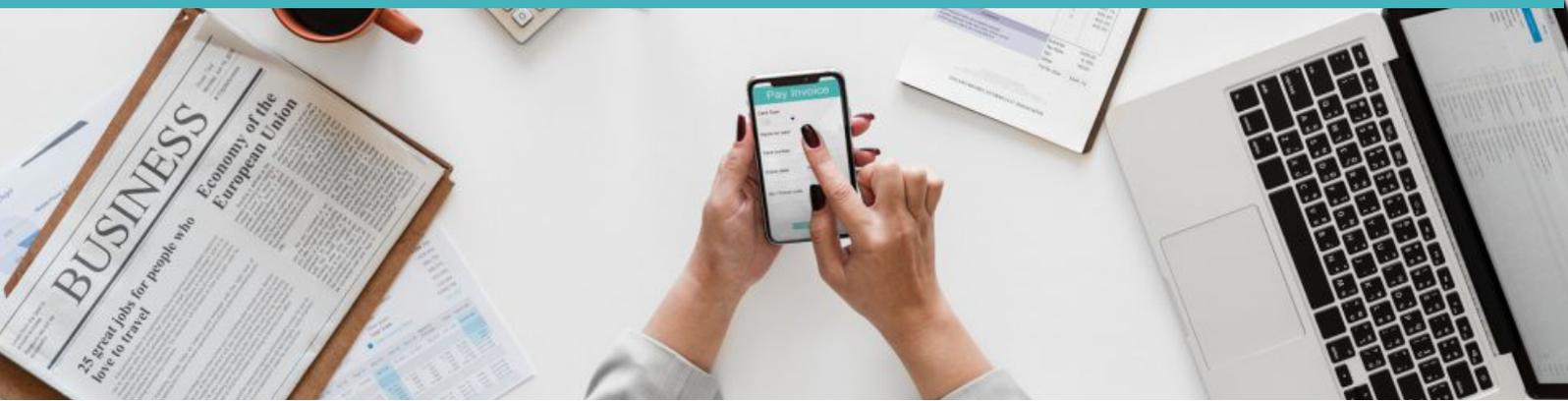


FIVE TAX BUSTING TIPS

For Experienced Business Owners



Focus Less On Tax Avoidance And More On Tax Recovery.

TIP ONE

Achieve the best possible business structure to take advantage of your tax deductions for each entity on its own, but also as part of the group.

Evaluate all entities together, profits & losses as a group, individual income thresholds and overview all tax rates to enable full use of all lower tax rates.

Claim for space you use at home to run your business, including part of the rates, insurance, mortgage interest, repairs and power.

Turn never switching off into a positive and ensure you claim use of space for working at home. Dedicate a room or space to be a primarily used for business to make a share of your home expenses claimable (not your lounge - make sure that is used primarily for relaxing!)

TIP TWO

TIP THREE

Make sure you have up to date information on all claimable home & vehicle expenses.

Recent IRD updates allow 100% of one vehicle's running costs - including depreciation and GST on purchase to be claimable for a husband and wife run business, each with a vehicle.

50% of home phone line rental and 100% of home internet is claimable in addition to a work percentage of calls made on a home line.

Combine work and personal travel to claim a percentage of travel expenses against tax payable.

Where a legitimate work schedule is in place and a daily log is maintained logging work undertaken each day and time allocated to work, work time as a percentage of total time away can be applied to all travel expenses for international travel.

TIP FOUR

TIP FIVE

Allocate a split of income across shareholders or beneficiaries to allow lower tax rates overall.

Assuming income is allocated at market value and are able to be referenced against individual roles in the business, allocating income to individuals allows for a more significant distribution of your total income at the lowest personal tax level. It will be well worth the time in writing job descriptions for transparency.

For additional guidance on how to reduce tax without breaking any rules, how to transition to Cloud Based accounting, or how to improve your business intelligence reporting please contact Jayne Sangster at GoTax Accountants.

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