

# BUSINESS AND TAX NEWS

May 2017 – Year-end Strategies

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## Reducing capital gains tax



# EVANS EDWARDS

CHARTERED ACCOUNTANTS

Preparation is critical to minimising your capital gains tax at the end of the financial year.

Capital gains tax (CGT) is the tax you pay on any capital gain made when you sell or otherwise dispose of an asset. CGT forms part of an individual's income tax; it is not a separate tax. Any capital gain is added to your other assessable income and taxed at the marginal rates of tax. Some examples of a CGT event include selling or giving away an asset, the loss or destruction of an asset, shares which are cancelled, surrendered or redeemed worthless, etc. Here are five strategies to help minimise your CGT:

### Utilise the small business CGT concessions

Small business entities may be eligible to use a number of CGT concessions, in addition to other CGT exemptions, roll-overs and concessions which are available more widely. In many cases, the small business concessions can reduce a capital gain to nil.

### Hold an asset for 12 months

Individuals and small businesses (excluding companies) can generally discount a capital gain by 50 per cent if they hold the asset for at least 12 months.

### Offset a capital loss against a capital gain

Consider selling poor performing assets that will yield a capital loss before 30 June. The losses made on these assets may be able to be offset against capital gains made on other assets and reduce the tax liability on the capital gains realised this financial year.

### Defer asset sales

If you expect to make a capital gain on the disposal of an asset, consider deferring the sale until after 30 June. This strategy is particularly beneficial for those who expect to be earning a lower taxable income in the next financial year, for example, individuals who plan to retire or take unpaid leave.

### Carry forward capital losses

Capital losses from prior years can be brought forward to offset capital gains realised in the current financial year, thereby reducing the tax on these current year gains.

So take the time to plan now.

### Preparing for year-end – it's that time!

Effective planning and preparation is critical for all taxpayers as the end of financial year approaches.

The good news is that we are here to support you so you don't have to do all of the heavy lifting yourself.

This is the perfect time of the year to seek advice from your accountant to maximise your tax savings for 2016-17 and start planning fresh for next year.



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## Farm management grant for establishment of your succession plan

The Queensland Government through the Queensland Rural Adjustment Authority currently have Farm Management Grants available to assist eligible Queensland primary producers or their relatives, offset the costs of professional advice associated with succession planning, so now is a fantastic opportunity to take the time to review your Succession Plan with us.



The fees eligible for the rebate include the provision of professional advice including advice from accountants or solicitors. The rebate value is up to 50 per cent of the amount paid for professional advice, to a maximum of \$2,500 for each financial year of the scheme. There are eligibility criteria for the Grants, including that you must:

- be a primary producer, or a relative of the primary producer for a primary production enterprise
- have paid, or will pay for advice relating to transferring or acquiring an interest in the primary production enterprise from a suitably qualified professional, at or after 23 March 2017

In addition, to receive a rebate for a financial year, your application must be received in that year. It may include an application made before professional advice is received. The scheme is scheduled to close to applications 30 June 2019.

We have experience in assisting primary producers with their Succession Plan to provide peace of mind through effective tax planning strategies including stamp duty, GST and Capital Gains Tax implications. So if you are considering taking advantage of the Grant and would like our planning advice, give us a call on **(07) 4927 4588**.

For further details and the application process, these can be viewed online on the QRAA website. To apply visit [applyonline.qraa.qld.gov.au](http://applyonline.qraa.qld.gov.au)

## Tender opportunities through the ICN Gateway

For businesses who are looking to tender for Government or private projects, there may be opportunities for you through the ICN Gateway. The Gateway provides potential suppliers (you) with the ability to search for upcoming projects utilising their database. If winning more business is one of your goals and something that interests you, you should consider registering your business on the ICN Gateway. Registering requires you to create your own business profile, including a Capability Statement to provide potential contractors with relevant information about your business and open your business to available tender opportunities. Some things to consider when completing your Capability Statement include:

- Understanding where you fit in the supply chain;
- Having a clear differentiation from your competitors; and
- Providing clear and concise company information.

The Department of State Development also run workshops to show businesses how to use a Capability Statement to market their products and services. The team at Evans Edwards may also be able to assist with the provision of information for your Capability Statement, so please contact us if this is something that you are considering. For more information on the ICN Gateway, visit the website on <https://gateway.icn.org.au/>.

## Budget Night 2017!

The Federal Budget is almost upon us!

9 May is the date to note in your calendars and while Federal Budget night might not be exciting for everyone, our team are ready! We'll be keeping a close eye on any possible implications that will come out of it, so we can better assist our clients in this upcoming financial year. So grab your popcorn, and watch for our **Budget 2017 Update** in our next edition of B&T News to find out what's in store for you!



**LET US HELP YOU ACHIEVE YOUR GOALS GIVE US A CALL.**