



THE 2017/18 BUDGET

The Australian Government has brought out the new 2017/18 Budget and focuses on small business providing growth and opportunity from 9 May 2017

Small Businesses – Tax Cuts

The Australian Government announced funding for the Jobs and Small Business package in the 2017-18 Budget.

The package is designed to help small business to grow and create jobs.

Here's a rundown on the key features of the package and what it means for your business.

If your small business has a **turnover of less than \$10 million per year**, these tax breaks apply to you.

- **2.5% Tax Cut for Companies**

If your business is a company, you'll get a tax cut of 2.5 percentage points from 1 July 2016. Your new company tax rate will be 27.5%.

- **5% tax discount for other businesses**

If your business is not a company, you'll get a 5% tax discount from 1 July 2016. This means the amount of tax you need to pay on your business income will be reduced by 5%, capped at \$1,000 each year.

- **Extending the \$20,000 immediate write-off for small business**

The Government announced an extension to the 2015/16 Budget measure providing an instant asset write-off provision for small business. The concession has been extended for 12 months to 30 June 2018. Small businesses can immediately deduct the business portion of most assets if they cost less than \$20,000, whether new or second-hand. You can claim your deduction through your tax return, in the year the asset was first used or installed ready for use.

This Information sheet is intended as a guide for Action Tax Services clients. All actual detail and circumstances differ, please discuss your situation with an Action Tax Services Consultant. Remember- if you are not sure if you can claim an expense, keep the receipt and we claim all allowable deductions and rebates for you whilst preparing your tax return.

Reducing Red Tape

Simplified Trading Stock

Simplified trading stock rules, giving businesses the option to avoid an end of year stock take if the value of the stock has changed by less than \$5,000.

Increasing The Threshold

to \$10 Million, up from the current \$2 Million threshold.

Account for GST

The option to account for GST on a cash basis and pay GST Instalments as calculated by the ATO

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