

# MINIMISE YOUR BUSINESS TAX

2026 TAX PLANNING GUIDE



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# 22 ways to reduce your Tax in 2026

## Key Tax Reduction Strategies for Businesses

Now's the time to review what strategies you can use to minimise your tax before 30 June 2026.

### What could your business do with the tax savings?

- Invest in new technology and equipment
- Invest more into marketing
- Upgrade your vehicles

Our advisors have prepared a list of the 22 key areas businesses may consider leading up to June 30, 2026.

### 1 DEFER INCOME

If possible, defer issuing further invoices and receiving cash/debtor payments until after 30 June 2026. This strategy pushes tax payable to future years.

### 2 BRING FORWARD EXPENSES

Purchase consumable items BEFORE 30 June 2026. These include marketing materials, consumables, stationery, printing, office and computer supplies. Spend the money now and get the deduction this year.

### 3 IS YOUR BUSINESS A "SMALL BUSINESS" ENTITY?

Small businesses can access a range of tax concessions from the ATO. To qualify as a "Small Business Entity", the business must have an aggregated turnover (your annual turnover plus the annual turnover of any business connected / affiliated with you) of less than \$10 million and be operating a business for all or part of the 2026 year.

### 4 INSTANT ASSET WRITE OFF

Eligible small businesses can immediately deduct the business portion of depreciating assets costing less than \$20,000 per asset, provided the asset is first used or installed ready for use between 1 July 2025 and 30 June 2026.

This measure is currently law and applies to the 2025–26 income year, and is subject to change. We will keep clients informed of any future extensions announced by the Government. Talk to your Morrrows advisor for the latest updates!

### 5 SMALL BUSINESS CONCESSIONS - PREPAYMENTS

"Small Business Concession" taxpayers can make prepayments (up to 12 months) on expenses (e.g. loan interest, rent, subscriptions) BEFORE 30 June 2026 and obtain a full tax deduction this financial year.

## 6 MAXIMISE DEDUCTIBLE SUPER CONTRIBUTIONS

The concessional superannuation cap for 2026 is \$30,000 for all individuals. Do not go over this limit or you will pay more tax!

Note that employer super guarantee contributions are included in these caps. Where a concessional contribution is made that exceeds these limits, the excess is included in your assessable income and taxed at your marginal rate, plus an excess concessional contributions charge. For the contribution to be counted towards the employee's 2026 contribution cap, it must be received by the fund by 30 June 2026.

## 7 ENSURE ALL ATO DEBTS ARE BEING ADDRESSED

With ATO compliance activities on the rise, we encourage you to ensure that all your BAS and other ATO returns are addressed promptly and you remain in communication with regard to payment. Failure to do so may increase the likelihood of ATO engagement.

## 8 PAY EMPLOYEE SUPERANNUATION NOW

To claim a deduction in the 2025–26 financial year, employer superannuation contributions must be received by the super fund by 30 June 2026.

Some industry super funds require contributions to be paid earlier in June (for example, by mid-June). Processing timeframes and cut-off dates vary by fund.

You should avoid making last-minute superannuation payments, as processing delays may result in contributions being received after year-end and therefore not deductible. If you find yourself needing to make late payments and wish to claim a deduction for the current year, please contact us immediately before making any payment so we can discuss the available options.

**Important:** From 1 July 2026, employers will be required to pay superannuation with each pay cycle, rather than quarterly.

## 9 DEFER INVESTMENT INCOME & CAPITAL GAINS

If possible, arrange for the receipt of Investment Income (e.g. interest on Term Deposits) and the Contract Date for the sale of Capital Gains assets, to occur AFTER 30 June 2026.

The Contract Date is generally the key date for working out when a sale occurred, not the Settlement Date!

## 10 TOOLS OF TRADE / FBT EXEMPT ITEMS

The purchase of Tools of Trade and other FBT exempt items for business owners and employees can be an effective way to buy equipment with a tax benefit. Items that can be packaged include handheld / portable tools of trade, computer software, notebook computers, personal electronic organisers, digital cameras, briefcases, protective clothing, and mobile phones.

If structured correctly, the employer will be entitled to a tax deduction for the reimbursement payment to the employee (for the equipment cost), claim any GST input credit, and the employee's salary package will only be reduced by the GST- exclusive cost of the items purchased.

**You should buy these items before 30 June 2026.**

## 11 SECURING GOVERNMENT GRANTS

Securing a grant such as the Research & Development (R&D) tax offset requires strategic planning and ongoing record keeping and preparation. For the R&D tax offset, companies can generally receive a tax offset 43.5% for their R&D expenditure. Consult with your tax advisor. They can provide valuable insights and help optimise your application.

## 12 TAX STRUCTURE REVIEW

If your business is growing rapidly, it might be time to discuss your tax structure for both tax minimisation and asset protection purposes with your advisor.

## 13 PROPERTY DEPRECIATION

If you own a property and haven't already done so, arrange for the preparation of a Property Depreciation Report to allow you to claim the maximum amount of depreciation and building write-off deductions on your property.

## 14 PRIVATE COMPANY ("DIV 7A") LOANS

Business owners who have borrowed funds from their company in previous years must ensure that the appropriate principal and interest repayments are made by 30 June 2026. Loans made during the 2025–26 income year must either be repaid in full or have a complying loan agreement in place before the due date for lodgement of the company tax return. Otherwise, the loan amount will be treated as an unfranked dividend in the individual's tax return.

The Division 7A benchmark interest rate for the 2025–26 income year is 8.37%, and minimum yearly repayments must be made by 30 June 2026 to avoid deemed dividend consequences.

## 15 YEAR-END STOCKTAKE / WORK IN PROGRESS

If applicable, you need to prepare a detailed Stock Take and/or Work in Progress listing as at 30 June 2026. Review your listing and write-off any obsolete or worthless stock items. **Talk to us about your different options for valuing Stock, and how they affect your tax payable.**

## 16 DEFER EMPLOYEE BONUSES

Employee bonuses for this year are still deductible even when paid after 30 June 2026 provided there is documentation in place to support the bonus. You must be committed to paying the bonus. Consider deferring employee bonuses until after 30 June. This strategy pushes tax payable to future years.

## 17 PAY OFF TAX DEBT

ATO interest is no longer tax-deductible from 1 July 2025, making unpaid tax debts significantly more expensive. Consider paying down outstanding ATO balances before year-end where cash flow allows.

## 18 LOWER COMPANY TAX RATES

The 2026 company tax rate for businesses with less than \$50 million turnover is 25%, if 80% or less of a company's assessable income is "passive income" (such as interest dividends, rent, royalties, and net capital gains).

If you use a Trust structure, one strategy is to allocate profits to a "Profits Holding Company" and cap your tax at 25% for the 2026 year. Note that this company must qualify as a "base rate" entity to be eligible for the lower 25% company tax rate. Please discuss with us whether your company will qualify.

## 19 REPAIRS & MAINTENANCE

Make payments for repairs and maintenance (business, rental property, employment) BEFORE 30 June 2026.

## 20 WRITE-OFF BAD DEBTS

Review your Trade Debtors listing and write-off all bad debts BEFORE 30 June 2026. Prepare a management meeting document listing each bad debt, as evidence that these amounts were written off prior to year-end and enter these into your accounting system before 30 June.

## 21 MOTOR VEHICLE LOGBOOK

Ensure that you have kept an accurate and complete Motor Vehicle Logbook for at least a 12-week period. The start date for the 12-week period must be on or before 30 June 2026. You should make a record of your odometer reading as at 30 June 2026 and keep all receipts/invoices for motor vehicle expenses.

An alternative (with no log book needed) is to simply claim up to 5,000 business kilometres (based on a reasonable estimate) using the cents per km method.

## 22 TRUSTEE RESOLUTIONS

Ensure that the Trustee Resolutions are prepared and signed BEFORE 30 June 2026 for all Discretionary ("Family") Trusts. We encourage you to check your deed for the resolution date as it may differ from June 30. The ATO have recently released a number of Tax Rulings that may affect trust distributions to adult children, so Tax Planning for 2026 will be vital for anyone using a Family Trust.

# MAXIMISE YOUR BUSINESS'S TAX DEDUCTIONS

We've made it simple to ensure you don't miss out on any deductions this tax time. This checklist is designed to help prepare and optimise your business tax return.

We have included a separate section (Part B) on the following page that outlines items that flow through to business owners and directors.

## Business Tax Minimisation Checklist

### 1 BUSINESS INCOME

- Sales reports to end of financial year  
Outstanding invoices and debtor listings
- Other business income (grants, rebates, insurance proceeds)
- Interest and investment income earned by the business
- Government grants or subsidies received
- Capital asset sales or disposals during the year

### 2 ASSETS AND DEPRECIATION

- Assets purchased or used before year-end.
- Assets under \$20,000 (Instant Asset Write-Off eligibility)
- Asset disposals or trade-ins
- Plant, equipment, tools, and technology purchases
- Motor vehicle purchases or disposals
- Updated motor vehicle logbooks and odometer readings

### 3 EMPLOYEES & SUPER

- Employee wages and allowances  
Superannuation contributions
- Employee bonuses accrued or committed to before 30 June
- Fringe Benefits Tax items (if applicable)
- Payroll tax information (where relevant)

### 4 BUSINESS EXPENSES & DEDUCTIONS

- Repairs and maintenance
- Rent, leases, subscriptions, insurance  
Loan interest statements (business loans)
- Prepaid expenses (rent, interest, software, subscriptions)
- Marketing and advertising costs
- Professional fees (accounting, legal, consulting)
- Bad debts written off before 30 June 2026
- Stocktake and/or work-in-progress at year-end
- Property expenses and depreciation reports (if applicable)

### 5 BUSINESS COMPLIANCE & STRUCTURE

- Business structure review (company, trust, group)
- Division 7A loan balances and repayments
- Trust distribution planning and trustee resolutions
- PAYG instalments and company tax payments
- BAS and IAS lodgements
- Outstanding ATO debts or payment arrangements
- Research & Development activities and records

## MAXIMISE YOUR BUSINESS'S TAX DEDUCTIONS



This section (Part B) outlines items that have tax implications for business owners and directors.

# Business Owner Tax Minimisation Checklist

### 6 OWNER REMUNERATION & SUPER



- Director fees, wages or drawings taken
- Superannuation contributed on behalf of owners
- Personal deductible super contributions planned
- Concessional cap remaining (\$30,000 per person)
- Carry-forward super contribution availability

### 7 LOANS, TRUSTS & DISTRIBUTIONS



- Division 7A loans to shareholders or associates
- Minimum yearly repayments made by 30 June
- Proposed trust distributions to beneficiaries
- Beneficiary details (including adult children)
- Flow-through income expected for individual returns

### 8 PERSONAL PLANNING IMPACTS



- Capital gains distributed from business or trust
- Changes in ownership, business roles, or shareholdings
- Succession, asset protection or exit considerations
- Alignment with personal tax planning strategies



## INDIVIDUAL TAX PLANNING FOR BUSINESS OWNERS



While this guide focuses on your business tax planning, many strategies implemented at the business level directly impact your personal tax position, including trust distributions, Division 7A loans, superannuation contributions, and capital gains.

To ensure these strategies are aligned and optimised, we recommend speaking with your Morrows advisor and reviewing our Tax Minimisation Guide for Individuals, which outlines key personal tax planning opportunities ahead of 30 June.



# Tax Planning Strategy Meetings

For over 67 years, Morrows has been helping businesses navigate the often complex and time consuming tax process. Our industry-leading expertise, tools, and strategies ensure your business maximises tax efficiencies while remaining fully compliant with ever-evolving tax regulations.

Staying on top of tax obligations can be challenging, but our experienced advisors provide the clarity and confidence you need to optimise your business's financial position.

With the **30 June 2026 deadline** approaching, now is the time to review and implement effective tax minimisation strategies. Taking action early ensures your business is well-prepared and positioned for success.

## Prepare with Confidence


Book your 30-minute consultation today to explore tailored tax strategies that minimise liabilities and maximise opportunities. We're here to help you achieve a smooth and strategic tax outcome.

## IMPORTANT INFORMATION

This is general advice only and does not take into account your financial circumstances, needs and objectives. Before making any decision based on this document, you should assess your own circumstances or seek advice from your financial adviser and seek tax advice from your accountants at Morrows. Information is current at the date of issue and may change.



Please contact us to learn more or to arrange a time to meet with your advisor.

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