



Brentnalls SA
With you for life.

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February 2026

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Key Tax Planning Strategies

Prior to 30 June 2026

Immediate Tax Deduction for Asset Purchases Under \$20,000 for Small Businesses

Take advantage of the immediate tax deduction available for depreciating assets acquired for less than \$20,000 and first used by 30 June 2026. Small businesses, with turnover less than \$10 million, are eligible.

Small Business Tax Concessions, Available to Businesses With Turnover \$50 million Turnover

Tax concessions available to Small Businesses include:

- Immediate deduction for prepaid expenditure when payment covers a period of less than 12 months
- Immediate deduction for certain costs incurred in relation to establishing a business
- Simplified rules for trading stock
- A Small Business tax offset for individuals up to a maximum of \$1,000, calculated as 16% of the tax payable on any Small Business net income (turnover under \$5 million).

Prepay Interest on Loans

Taxpayers who have borrowed money for investments can check with their lenders to see if they can prepay interest to gain an early tax-deduction by paying 12 month's of interest in advance as a one-off tax benefit. This is an option for investment loans on properties, margin loans on shares and business loans.

Interest Deductibility on Financing Business Expenses

Interest on the financing of business expenses is tax-deductible in most circumstances. If you are maintaining a line of credit or overdraft to finance your business expenses, the interest will be tax-deductible except in the following cases:

- Payments from the account are for personal purposes
- Payments made for the payment of personal income tax (including PAYG instalments)
- Payments made for personal superannuation contribution

Consideration should be given to external finance if you are currently using your personal funds to finance your business activities and would prefer to use your personal funds elsewhere.

Superannuation Contributions

Maximise your superannuation deductions before 30 June 2026 by:

- Ensuring superannuation contributions for employees are paid and cleared by 30 June 2026 (ideally pay by 19 June if possible);
- If your superannuation balance is less than \$500,000 and you've made concessional contributions of less than the concessional contributions cap of \$30,000, you may be able to make additional concessional contributions in subsequent financial years for any unused amounts. Unused cap amounts can be carried forward for up to five years.
- If you earn less than \$62,488 p.a., you could be eligible for the government co-contribution. The government will contribute 50 cents for every dollar of after-tax contributions you make to your superannuation fund up to a maximum of \$500. The full benefit is available for income earners under \$47,488 and phases out where adjusted taxable income is between \$47,488—\$62,488.

Bad Debts

Review your aged debtors and determine if any debts are bad debts (i.e. not recoverable). If they are, write them off before 30 June 2026 to receive a tax deduction this year. For a debt to be bad, there must be little or no likelihood of recovery, such as when the debtor is in receivership or cannot be traced. Records should be kept to show you have taken reasonable steps to recover the debt prior to writing off. If circumstances later change, you can recommence pursuing the debtor.

Disclaimer

The information provided in this brochure does not constitute advice. The information is of a general nature only and does not take into account your individual objectives, financial situation or needs. It should not be used, relied upon, or treated as a substitute for specific professional advice. We recommend that you contact Brentnalls SA before making any decision to discuss your particular requirements or circumstances.



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Prior to 30 June 2026—Continued

Stock Management

Review your stock and identify any obsolete or unusable stock. Write off these stock items prior to 30 June 2026.

Farm Management Deposits (FMDs)

Investing in Farm Management Deposits (FMDs) can help primary producers to reduce fluctuations in taxable earnings caused by economic and seasonal changes to primary production income. Interest is paid on such FMDs, and they must be held for at least 12 months; otherwise, the tax benefit of investing in an FMD will not be retained. The maximum limit for deposits is \$800,000 per person. Consider whether FMDs would be useful to reduce this year's taxable income or whether you have any FMDs to withdraw if your income is lower than average.

Capital Gains Tax (CGT)

If you have derived any capital gains from the sale of your investments or business assets this year, consider whether you can offset them by crystallising any capital losses on the sale of other assets (where possible), or be able to use the CGT Small Business concessions. Please contact us to discuss prior to 30 June to minimise or eliminate any potential CGT.

Private Health Insurance Rebate Changes

Entitlements to the private health insurance rebate are income-tested, which means that if you have a higher income, your rebate entitlement may be reduced, or you may not be entitled to receive any rebate at all.

However, many private health funds set the rebate amount as a default at the highest rebate amount, and it is your responsibility to inform your private health insurer if you fall into a higher income bracket. This can be achieved by one of two ways:

1. Login to your private health insurance portal and following the prompts. (This will usually say something like nominate rebate tier.)
2. Call your private health insurer and advise them of your rebate tier that you are eligible for.

	Maximum Rebate/ No surcharge	Tier 1	Tier 2	Tier 3
Singles	\$101,000 or less	\$101,001- \$118,000	\$118,001- \$158,000	\$158,001+
Families	\$202,000 or less	\$202,001- \$236,000	\$236,001- \$316,000	\$316,001+
Rebate under Age 65	24.288%	16.192%	8.095%	0%
Rebate Age 65-69	28.337%	20.240%	12.143%	0%
Rebate Age 70+	32.385%	24.288%	16.192%	0%

Note: The above rebate rates are subject to CPI adjustment each April.

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The rebate entitlement is then checked within your income tax return each year, with any balance refunded or over-claim paid back to the Australian Taxation Office.

When you move into the next tier, the level of rebate and surcharge applicable will change. In view of these changes, consideration should be given as to the financial effect of private health insurance cover. The test is taken when your private health insurance is paid. If you believe you are going to move into the next tier in the next financial year, thought should be given to paying your health insurance premiums now; this will entitle you to your current level of rebate.

Division 293 Tax on Super Contributions

Division 293 tax is an additional tax of 15% on concessional super contributions, if you earn over \$250,000.

Income for the purposes of Div 293 tax includes,

- Your Taxable Income
- Reportable Superannuation Contributions
- Reportable Fringe Benefits
- Total Net Investment Loss (these are added back to your taxable income)

Concessional contributions include employer contributions, salary sacrifice, personal deductible contributions.

FBT Exemption for Electric Vehicles

From 1 July 2022, an employer who provides an employee with new electric vehicles will not be liable for fringe benefits tax on the employee's private use.

To be eligible for the exemption, the electric vehicle must be below the luxury car limit, which is \$91,387 for the 2024–25 and also the 2025–2026 financial year. A car needs to be classified as a zero or low emissions vehicle for the exemption to be available including battery electric vehicles and hydrogen fuel cell electric vehicles. From 1 April 2025 Plug-in hybrid electric vehicles will not be considered a zero or low emissions vehicle under FBT law.

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