

10 Ways for Farmers to SAVE TAX

1. Defer income e.g. wheat payment in July rather than June.
2. Stock up on fuel and chemicals in June - even on a deferred payment arrangement, claim as a tax deduction for 2013/14.
3. Primary Production Tax Averaging – reduces the rate to a 5 year average.
4. Write off \$6500 of outright plant purchases, can do multiple times.
5. Sold some plant with a low book value? Created a tax problem? Change to the pool depreciation system – tax bill magically disappears!
6. FMD – a deductible expense when deposited, assessable income when drawn out, possibly in a bad year – spreads the tax over successive years.
7. Expand your cropping program, last years profit invested in this year's crop (only if it makes sense commercially).
8. Spread the tax burden across more family members. University student kids with no Austudy/Youth Allowance, pay tax in their name too. Trade in a Family Trust or pay them wages over the harvest period.
9. Make superannuation contributions to your own super fund. Transfer ASX listed shares into your fund and get a tax deduction.
10. Transfer a farm to a Self Managed Super Fund, rent is tax deductible and super fund pays tax at only 15%. If Mum & Dad are retired you can pay them a tax free pension from the super fund. Farm rent is tax deductible, flows through to Mum & Dad tax free – how good is that??

PLUS some bonus ideas with more to come

11. Finance – let's get it right so you maximise your interest tax deduction.
12. Claim every expense you're legally entitled to i.e. the mobile phone, travel, newspapers etc.

Kerry Packer said to a Senate Hearing when asked if he arranged his affairs to minimize tax:-

"Of course I am minimising my tax and if anybody in this country doesn't minimise their tax, they want their heads read, because as a Government, I can tell you, you're not spending it that well that we should be donating extra!"

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