



13th February, 2023



5 Tax Resolutions This Year You'll Be Keeping

Get a gym membership, start a diet, drink less, and travel more. Every year we make plenty of new year's resolutions that we try valiantly to uphold. Why not make one about keeping on top of your tax obligations in 2023?

Are You In Business?

Know if you're in business or not! Are you earning an increasing income from a hobby? You might already be in business for tax purposes. To work out if you're in a business, identify all relevant, related activities you may be conducting already.

Examples of these can include:

- keeping records
- obtaining and maintaining licences and permits
- if you rent out premises or goods, everything you do to rent out those premises or goods
- if your activity is providing goods or services, everything you do in providing them.

Then, determine whether or not the activities are considered a business by answering the following questions.

The more of the following questions you answer yes to, the more likely it is your activities are a business:

- **Do you intend to be in business?**
- **Do you intend and have a prospect of making a profit from your activities?**
- **Is the size or scale of your activity enough to make a profit?**
- **Are the activities repeated and continuous?**
- **Are your activities planned, organised and carried out in a business-like manner?**

For example, do you:

- **keep business records and have a separate business bank account?**
- **advertise and sell your goods and services to the public, rather than just to family or friends?**
- **operate from business premises?**
- **maintain required licences or qualifications?**
- **have a formal business plan or budget?**
- **have a business name or an ABN?**

Keep Business Details & Registrations Up To Date

If you're the director of an Aussie company, you need to apply for a director ID. Keep your ABN details up to date as emergency services and government agencies use this information to support businesses during disasters. Also, if you're going to earn over \$75,000 this financial year, you'll need to register for GST.

Keep Accurate And Complete Records

Good record-keeping helps you manage your business and its cash flow.

Do Personal Services Income (PSI) Rules Apply To You?

PSI is income produced mainly (more than half) from your skills or efforts as an individual. If you're earning PSI, you'll need to work out if you're a personal services business to determine whether the PSI rules apply to your income. The rules affect how you report your income and the deductions you can claim.

Take Care Of You AND Your Business

The last few years have thrown some curve balls at small businesses, so it's good to be prepared. Consult with your advisers, take heed of the advice given and if necessary, look into grants and programs that can assist your endeavours.

We wish you all the best and hope you're on track to thrive in 2023. When the fireworks have faded, know that we're always available to support businesses just like yours.

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