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UPCOMING CHANGES

After the Federal Budget, some changes that may affect your future taxes — *if legislated*

- 2027 Tax Year — **A standard deduction for work related expenses** (WRE), without receipts of $1,000 can be claimed, plus donations, tax agent fees, income protection insurance, professional memberships & union fees. But nothing else! If you are going to claim more than $1,000 WRE you will need substantiation for each claim (e.g. motor vehicle km's or log book will likely tip you over the $1,000 so claim like we have previously.)
- 2027 Tax Year — Standard **Laundry** Claim for washing workwear — removed.
- **Trading through a Trust?** The Trustee will pay 30% Tax on all distributions. Individuals receiving a distribution will receive a credit of the tax paid, but this is NON-REFUNDABLE. Corporate Beneficiaries will not receive a credit for the tax paid AT ALL. Therefore — distributions to companies, not recommended and distributions to individuals in the 30% tax bracket or higher okay, but not individuals in the lower tax bracket.
- **50% CGT Discount removed** from 1 July 2027. Assets owned before this date, will still access the discount up to this date, then the growth from 1 July 2027 will not have any discount applied. Valuations will be required on all assets held on 30 June 2027 — for future use if/when the asset is sold.
- **Old/Established Residential Investment Properties** — cannot be negatively geared from 1 July 2027 on properties purchased on or after 12 May 2026. Losses on these properties will be carried forward until they offset a profit or gain on the property. **Only new builds will be eligible for negative gearing**.
- **Loss Carry Back for companies** available from the 2027 financial year. If a company has a loss in 2027, it can carry back the loss to 2 years prior (2026 & 2025) on profit years and receive a refund of tax paid (limited to the tax paid).

Legislated;

- **Division 296 starts.** For individuals with a Total Super Balance of more than $3m, extra tax on your funds earnings of 15%. Over $10m in super, add another 10%. Assessed to the individual, with the option to elect their fund to pay the tax (must be elected).
- The lower marginal tax rate has reduced to 15% for the 2027 tax year and 14% for the 2028 tax year (16% in 2026).
- **Instant Asset Write off** of equipment assets of less than $20,000 for Small Business Entities will be the cap moving forward (2026 and beyond). Per Asset.