



XOACCOUNTING

# TAX LOSSES

If you operate a Company or a Trust unfortunately those losses must be carried forward to future years and can then be offset against future profits subject to a number of tests such as the nature of the business and the ownership of the business remaining unchanged.

For Sole Traders and Partnerships losses may be offset against your personal income subject to passing one of the following four tests:



## ASSESSABLE INCOME TEST

You have generated more than \$20,000 in income for the year, or if you have traded for part of a year and if you reasonable believe you would have generated more than \$20,000 in a full year.

Income will include commissions and bonuses received excluding those received for personal purchases as well as income received from sale of goods and services.

## PROFIT TEST

You will have generated profits 3 of the past 5 years including the current year



## REAL PROPERTY TEST

That property valued at more than \$500,000 was used in generating the income.

This is unlikely for Amway IBO's.



## OTHER ASSETS TEST

That assets valued at more than \$100,000 was used in generating the income. Assets such as plant and equipment(including leased assets), trading stock, trademarks, patents etc. Assets excluded are real property and motor vehicles.

This is unlikely for Amway IBO's.



Have a **FREE 30 min online general meeting**

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