



Ready, steady, tax time!

Assistant Commissioner, Angela Allen talks tax time tips to help your small business thrive.

Last updated 4 July 2025

We know running a small business is serious business and we want to make it as easy as possible for you to get your tax right, the first time. There are a few things you can do to prepare for the end of the financial year, whether you're lodging yourself or using a tax professional.

Get set up

Online services for business is your central hub for managing tax and super online. To set up your access, you'll need to:

- download and set up your myID, the Australian Government's Digital ID app
- link your myID to your ABN in Relationship Authorisation Manager (RAM).

Tip: if you're a sole trader, you can use ATO online services through myGov to engage with us. For more secure and flexible access, we recommend signing in with myID.

Declare everything

Make sure you declare all your business income – even non-monetary payments like goods or services you've received in exchange for your work. It all counts.

Understand losses

Business losses and non-commercial losses aren't the same thing. Knowing the difference can impact how you report and carry forward losses, so it's worth getting your head around it to get your tax right.

Keep track of private use

If you've used business money for personal expenses, keep clear records. It's important to separate business activities and expenses from personal ones to avoid headaches later.

Nominate your tax agent

Using a tax agent? Make sure you nominate them in **Online services for business**. They won't be able to access your information or act on your behalf until you've authorised them.

Deductions: remember the 3 golden rules

1. The expense must have been for your business, and not for private use.
2. If the expense is for a mix of business and private use, you can only claim the portion that is used for your business.
3. You must have records or receipts to prove it.

Cash vs accruals: know your method

The income you receive from running your small business will be assessable for tax purposes. How you **account for income** affects what you report:

- **Cash basis:** Report income when you receive the payment – even if the work was done earlier.
- **Accruals basis:** Report income when you earn it – even if you haven't been paid yet.

Don't miss out on deductions and concessions

Now is a great time to check if you're eligible for any **deductions** or **concessions** when lodging your income tax return. You might be able to take advantage of:

- simplified depreciation rules
- immediate deductions for pre-paid expenses
- the instant asset write-off.

These can make a real difference to your bottom line – so it's worth checking what applies to your business.

Tools to help you

We have a range of **resources, tools and services** available to help you get it right this tax time, including the **2025 Tax Time toolkit for small business**.

Keep up to date

We've set up tailored communication channels for small businesses. They will keep you updated on important information and changes.

Read more articles in our **Small business newsroom**.

Subscribe to our free to our monthly [Small business email newsletter](#) .

Get **email notifications** about new and updated information on our website. You can choose to receive updates that matter to you. Select the 'Business and organisations' category. This way, your subscription will get notifications for more Small business newsroom articles like this one.

QC 105146

Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

Copyright notice

© Australian Taxation Office for the Commonwealth of Australia

You are free to copy, adapt, modify, transmit and distribute this material as you wish (but not in any way that suggests the ATO or the Commonwealth endorses you or any of your services or products).