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# 11 TAX TIPS FOR PHOTOGRAPHERS

Photographers across Australia are sticking a middle finger to the sky.

The pandemic completely halted most photography businesses with some never able to re-open doors. If you were one of the few that were able to stay afloat, crack open a tinny and give yourself a pat on the back.

What's worse though: being completely out of business or so busy that you don't even have time to breathe?

That's the dilemma many photography business owners are facing as the industry begins to recover from the pandemic.

The money flowing in may ease your financial burden however don't get too comfortable as tax season is upon us and is right around the corner again with each year that passes!

Failing to properly plan for your tax situation leads to overpaying on taxes and sending your hard-earned money to the ATO. Consider implementing these 11 tax tips to minimize your burden and maximize your profitability!

# #1: UNDERSTAND YOUR BUSINESS STRUCTURE

How do you lodge and pay your taxes? Sole traders are required to remit different forms compared to a company. Understanding your business structure is critical to determine which taxes you may be subject to, ways to reduce your liability, and when you are required to lodge the returns. Truly – your structure is everything and is the first point of the process that can influence how much tax you may have to pay.





## #2: WRITE OFF QUALIFYING TRAVEL

As a photographer, you are most likely always on the go. A customer wants you to drive 30 minutes? No problem. An hour? Sure. The endless hours you spend on the go give way to a tax deduction. You can write off the entire cost of travel to clients, including costs for accomm, airfare, tolls, rental cars, and more. The next time a client asks you to drive for hours, you can accept with a little more excitement knowing that you are reducing your taxable income.

# #3: LEVERAGE THE MOTOR VEHICLE DEDUCTION

Working alongside the travel deduction is motor vehicle deductions. Most photographers won't have a separate vehicle used only for business purposes. Using your personal car works just fine as long as it gets you to point a and point b, right? Fuel, repairs, interest, lease payments, insurance, registration, and depreciation are all valid deductions when you use your personal car for business use. Not to mention additional tax-saving opportunities when you purchase a new vehicle and begin depreciating it. The key here is having a logbook that covers a minimum of 12 week's worth of business related trips.





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## #4: TALLY UP YOUR MONTHLY SUBSCRIPTION COSTS

Those monthly direct debits can often be overlooked because it's all on autopilot right? Don't lose sight of these expenses despite being easy to forget. All of those recurring monthly outgoings for Creative Cloud, Studio Ninja and even your monthly insurance premiums add up to a hefty tax deduction for which photographers are entitled to claim.

# #5: TAX PLAN

How can you properly plan for tax time if you don't know how much money you expect to make by year-end? Tax planning involves taking the income you've already made and projecting it through the end of the year to see where your tax liability falls. Excess taxable income then gives you the ability to find creative ways to save money on tax, such as through deferring expenses or purchasing additional equipment.





## #6: CONSIDER DEPRECIATION

Depreciation is a deduction that many photographers forget about. Any asset under \$300 that you place in service during the year can be immediately expensed. This sounds good in theory, right? How much of your photography equipment was under \$300? Probably not even your carrying case. Luckily, a depreciation write off over the span of a couple of years provides a steady way to reduce your taxable income as your business begins to grow. The ATO will also allow small business to immediately write-off the total cost of a Sony A7 III in the financial year which it was purchased.



# #7: REVIEW YOUR FINANCIAL REPORTS

Consistently reviewing your financial reports is a tax tip to keep in mind. Tracking income on a regular basis not only gives you added insight into strategic planning, but you can also have a clear vision of the steps you need to take to reduce your tax liability. The accounts receivable aging and accounts payable aging schedules should also be meticulously tracked when attempting to reduce taxable income through revenue or expense delays.





## #8: INVEST IN ACCOUNTING SOFTWARE

Accounting software programs have taken a significant burden off photography business owners, especially when you are able to link your business bank accounts. Transactions will automatically flow into your system, giving you access to real-time data to make your tax decisions on. Tax saving opportunities happen quickly, making it vital to be prepared. Xero does this part really, really well.

# #9: MAXIMIZE RETIREMENT SAVINGS

One positive that comes from the ATO is retirement savings opportunities for business owners. Contributions to superannuation is a retirement savings tool that the Government wants you to take advantage of. When your business makes a contribution to super, you get to deduct that contribution amount from your income, reducing your tax liability.





# #10: DELAY INCOME AND EXPENSES

In some cases, you are able to delay cash flow until the next year. This only works if your business is registered for GST and operates on a cash basis however there are other delaying methods to implement if that criteria doesn't apply to you. Pushing an invoice out even one day after year-end can save you a significant amount in taxes, making it a method to consider.

# #11: REACH OUT FOR EXPERT GUIDANCE

The top tip that all photography business owners should implement is reaching out to an expert for guidance. Odds are you don't know everything about the tax laws, meaning you shouldn't try and figure everything out on your own. Contacting an expert may help you reduce your taxable income, lodge timely returns, and avoid nasty orange letters from the ATO.



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Tax time is dreaded by everyone, even us. As creative business owners and musicians, we understand the struggles you face in your photography business when it comes to taxes. This is why our team at Amplify 11 takes an innovative approach compared to your local accounting firm down the road. We understand the tax deductions and tax strategies that you can benefit from because we use them too! To talk to one of our team members about your photography business, reach out today!

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