Common Deductions

AC Levies (Remember to claim GST on these)
Accounting Fees
Accrual expenditure (eg notional interest deduction under accrual rules on a deferred settlement on a building purchase).
Advertising
Bad Debts
Books and periodicals
Borrowing and brokerage expenses
General business expenses
Capital and Revenue expenditure distinction - remember to allocate correctly.
Child care rebate
Clothing
Computer expenses / software / hardware
Website maintenance costs (setup costs generally capital)
Consumable aids
Depreciation
Education expenses
Wages costs
Entertainment costs (generally 50% deductible)
Financial planning fees
Fines or penalties - All fines and penalties are non-dedcuuctible.
FBT
Donations (Max $1500 for rebate calc)
GST on FBT
Home office expenses
Insurance (Note some income protection insurance and life insurance may be deductible in some instances)
Interest
Lease costs
Legal expenses
Library maintenance expenses
Loose tools
Losses (Various categories - sale of fixed assets,foreign losses,FIF regime,investment losses,land sales,rental losses,theft)
Management fees
Motor vehicle expenses
Patent / Trademark expenses
Payments to spouse
Rates / Rent
Repairs and maintenance
Research and development expenditure
Security costs
Subscriptions
Telephone/Mobile/Fax/Internet expenses
Timing of expenses - can costs be brought forward? - can income be deferred?
Balance dates - there is the availability of a one years deferral of tax in using variable balance date structures.

Travel expenses
Trading stock purchases
Subcontractors
Printing and stationery
Bank fees
Cafeteria expenses
Cleaning expenses
Freight
Hire costs
Hire purchase interest(Rule of 78)
Licences
Light and power
Protective clothing
Any other cost directly attributable to the production of assessable income

Remember two important principles for investing:

1. Tax efficient eg: Capital gains on property - NZ is still one of the few countries in the OECD that does not yet have a true capital gains tax.

2. A high cumulative rate of return eg: What is a better investment:
(A) A sharemarket investment with a cumulative growth rate of 20%, no div yield.

or

(B) A sharemarket investment with a div yield of 20%, but no growth.

Answer (A). Over a medium to long period, this option is many times better. It is both tax efficient and profitable in terms of growing asset base.

Also note the example of $5,000 invested for 30 years with a 15% cumulative return paid annually (tax free). This would be worth $331,000 in 30 years.

Also be aware of the affects of inflation and deflation on various investment structures.

eg: Negative geared rental properties - good when high inflation, bad when high deflation.
Cash deposits - Good when high deflation, bad when high inflation.