

# BusinessPlus+ Newsletter

## Issue – EOFY Tax Planning – June 2020

### Taxing of Trading Income

There are two forms of taxation treatment for trading income, depending on whether the business is assessed on a:

- “Cash” basis – businesses are assessed when income is received and payments are deductible when they are paid, if the business' income is under \$10 million for the year (refer to [Small Business Entities](#)).
- “Accruals” basis – businesses are assessed when a legally recoverable debt arises, usually at the point of invoicing and payments are deductible when the supplier's invoice is received and entered into the business' accounting books, irrespective of the date of payment (refer to [Small Business Entities](#)).

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