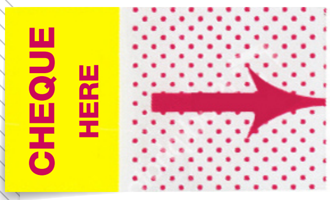
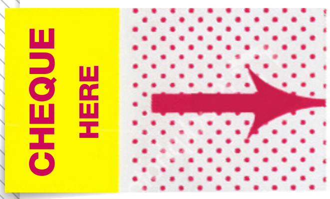


STRUCTURED PRODUCTS

These are much less popular than they used to be, but capital-protected structured products continue to carry a tax deduction on the interest paid, albeit to a maximum of about 8.5 per cent now. Agricultural products in particular – forests, olive farms, cricket bat willow plantations, you know the sort of thing – have been on the nose since Great Southern went to the wall. But not all products are unsustainable and they do continue to provide a tax break. "The lesson learned on those things is they have to stack up as real investments, not just as a one-off tax break," Multiport's Phil La Greca says.

New products will continue to come out at this time of year, though. If your reason for investing is partly about tax (and it should never be just about tax) then be sure to look for the ATO product ruling. There are some shifts from previous years. Macquarie Specialist Investments division director Irene Deutsch says products such as Macquarie's Flexi 100 Trust now offer a feature allowing people to walk away on a quarterly basis without incurring break costs. Still, as she says, the point of any investment is return more so than a tax break. "People come to us wanting to make money, and if they haven't done so during the life of a product, they're not going to be as happy with it. Nobody should invest just for tax."

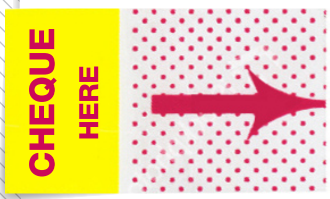
Potential savings: Deduction on interest to a maximum of 8.5 per cent (the rate moves in tandem with Reserve Bank rate movements).



GET SUPER MONEY FOR NOTHING

Surely the finest gift you'll get from our nation's preposterous bureaucracy, the super co-contribution is, strictly speaking, money for nothing, rather than a tax break. However, this comes out of the same process of tax planning. If you earn less than $31,920, and you put $1000 into superannuation, then the commonwealth government will drop in another $1000 for you. If you earn more than that, the superannuation co-contribution diminishes steadily until hitting zero at an income of $61,920. If you're over those income limits, then what about your partner's earnings? It may be time to think about structuring your finances accordingly.

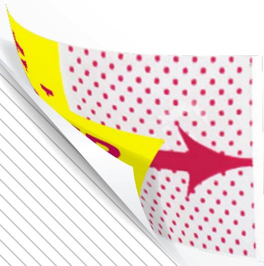
Potential savings: Not a deduction as such, but $1000 goes straight into your account.



THE FLOODS

If you donated to help people affected by the floods this tax year, your generosity brings the reward of a tax deduction. In addition to the Queensland floods, the Victorian and NSW floods have been declared disasters, which makes contributions to related relief funds tax deductible. Another issue is the flood levy that will apply from next year: 0.5 per cent on taxable income over $50,000 and 1 per cent above $100,000. It will make sense for some people to bring income forward to this financial year to reduce taxable income before the levy takes effect.

Potential savings: Your donations are deductible.



GREEN RELIEF

Do you run your own business? The Tax Breaks for Green Buildings scheme comes into effect from July 1. If your business invests in improving the energy efficiency of its building, you can get a one-off bonus tax deduction of 50 per cent of the cost of those improvements, provided your efforts are considered eligible. Start planning.

Potential savings: Half your building improvement costs could be deductible.

STUDY BOON

Did you receive the youth allowance to study full time during the past few years? If so, you'll be affected by a recent High Court decision allowing you to claim a deduction for your study expenses, which affects the tax years from 2007 to 2010. The deduction is $550 a year, although you can seek to amend that higher if you incurred more than $800 in expenses and you have records to support that.

Potential savings: $550 a year.