

WHY USE A “BUCKET COMPANY”?

A “bucket company” allows you to “cap” the tax on profits distributed by a trust to 30% or 27.5%. This is much less than the individual top marginal rate of 47%!

Assume a trust earns \$250,000 in profits from business or investment.

- OPTION 1. Distribute profits 50 / 50 to Individuals 1 and 2. Total tax (inc. Medicare Levy) payable = \$72,764 (29.1%)
- OPTION 2. Distribute \$87,000 each to Individuals 1 & 2 and distribute balance of \$76,000 to a “bucket” company at a 30% tax rate. Total tax payable = \$65,924 (26.4%)

Value of strategy is \$6,840 in tax saved!



CONTACT US TODAY FOR ASSISTANCE TO REDUCE YOUR TAX!

926 David Low Way Marcoola QLD 4564

P: 07 5448 8161 | E: info@cmaccounting.com.au