

The Advertiser

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Finance

Warning on bad debts

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English

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AS THE end of financial year looms, small and medium businesses have been warned to write off bad debts.

Businesses hanging on to unpaid invoices in the hope they will be paid should deal with them before June 30.

If unpaid debts are reclassified as bad debts before June 30, they can be turned into a tax deduction on unrecovered income.

Debt collection agency **Prushka** said failure to reclassify the **debt** meant businesses would be taxed on income they were unlikely to receive.