

## It's Tax Time Again

# ABBY

## PRACTICE



No doubt many of you are working through your records to prepare your information ready for your tax agent.

It is clear that if you visit your tax agent with your information in a logical order, the tax agent is able to assist you with claims you may not have considered instead of working with you in the more well-known areas of claims. Tax office publications advise that taxpayers claim in excess of \$12 billion of work related expenses, so it is a large volume of claims.

### **Deductions that you may be able to claim:**

#### **1. Work-Related Car Expenses**

There are generally four methods of claiming work car related expenses, however the main two categories for salary and wage taxpayers are the cents per km method or 12% of actual cost method. The ATO publish a rate per km that can be used for claiming of a motor

vehicle for work purposes. The cents per km method may be used up to 5000 km. The 12% method, along with the other two methods, is used when you travel more than 5000 km. The 12% method is simply 12% of the cost of the motor vehicle, which is easy to calculate and substantiate.

#### **2. Work-Related Travel**

Can be claimed where you incur travelling expenses that are not reimbursed by your employer.

#### **3. Work-Related Uniform and Other Clothing Expenses**

Protective clothing such as overalls and safety shoes are clear deductions in this area. Laundry up to a limit of \$150 may be claimed without receipts. Sunscreen and sunglasses are also a deduction for employees who work

outside. The other area is occupation specific clothing such as an army or nurse uniform.

#### **4. Work-Related Self-Education**

The expense of a course of education that will allow you to earn greater income is generally deductible.

Eg. University union fee, course fee (not HECS), books, stationery, seminars.

#### **5. Other Work-Related Expenses**

Claims can be made for home office expenses, computer and software costs, telephone, tolls, equipment purchases, professional subscriptions, union fees, technical journals, professional seminars etc. You may need to consider how you will apportion an expense between your private use and work related use, which may be a tax deduction to yourself.

**At Abby Practice, we have a high level of expertise in the area of tax deductions and tax returns. Should you wish to discuss your individual circumstances, contact Sid Edwards, Senior Partner, at Abby Practice on 9476 0399.**