

WHAT IS NEW THIS YEAR? The Education Expenses Tax Offset

As part of its Federal election campaign, the Labor government announced it would introduce a new refundable education tax offset. This offset is a 50% tax offset for certain education expenses incurred. This tax measure is designed to assist families with the cost of specific education expenses, such as the cost of a home computer, home Internet connection, software, textbooks, tools of trade and stationery items.

Who is entitled to this tax offset?

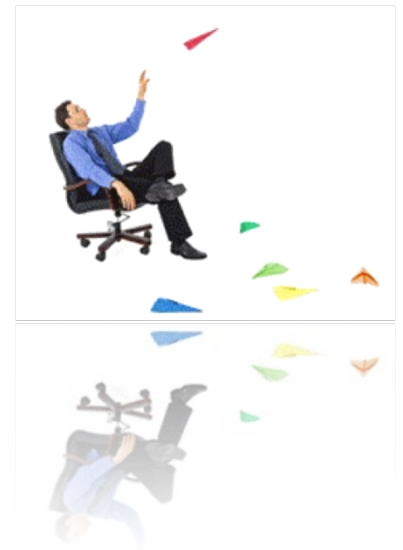
There are three general rules:

1. There must be an entitlement for Family Tax Benefit Part "A" in respect of the child.
2. The child must be enrolled in a primary or secondary school course.
3. Eligible education expenses are incurred in respect of the child.

The type of expenses able to be claimed are limited, and do not include expenses such as school fees, school uniforms, school camps, sports equipment, musical instruments, school subject levies, school building levies, school photos or bus and transport costs.

The tax offset is **50% of expenses up to \$750 for primary school children and 50% of expenses up to \$1,500 for secondary school children**. However, expenditure over the limit for a child can be carried forward and claimed in the next year, providing the basic conditions are met.

The rebate is paid to the parent who is the recipient of the Family Tax Benefit Part A. If the Family Tax Benefit Part A is apportioned between parents then the education tax offset is apportioned in the same manner. Further, if a parent is not a taxpayer they can apply to the ATO and be paid the offset to which they are entitled.



Should you wish to have your tax return completed by us or to discuss your tax position contact Sid Edwards, Senior Partner, at Abby Practice on 9476 0399 .