

Tax Tips – July 2, 2016

Make sure you gather all your paperwork and information you need to lodge your tax return accurately.

Income

Payment Summaries – this will summarise the income you received from your employer(s), super funds or payments from government agencies.

Other income received – rental, dividends/distributions, bank interest, disposal of investments etc.

Deductions

Motor Vehicle Expenses

You can claim a maximum of 5,000km using the cents per kilometre method. The total business kilometres travelled is multiplied by a standard rate of \$0.66 per kilometre. You need to be able to show how you worked out your business kilometres.

If you have travelled more than 5,000km, you can use the Logbook method. You can then calculate the deduction of total expenses based on the business use percentage. Records must be kept for a minimum of 12 weeks and must be updated every 5 years.

Self-education expenses

Course fees, textbooks, stationery, student union fees and travel expenses can be included under self-education expenses.

N.B. The study will have to contribute to professional development in skills or knowledge in your current employment or give you the ability to increase your income from your current employment.

Other Work Related Expenses

Uniforms – protective, compulsory uniform or work-related clothing are deductible but this excludes everyday clothing.

Laundry – Laundry and dry cleaning expenses. Records are not needed for claims less than \$150.

Union/professional association fees – you are entitled to claim any fees paid to a professional body or union.

Home Office – if you use your home for employment activities you can claim a portion of your home running expenses.

1. Diary Method – keep diary records for 4 weeks to work out how much of your home running expenses are related to your employment. Records have to be updated yearly.
2. ATO Rate per hour – calculate your deduction based on the number of hours you use your home office. ATO rate is \$0.45 per hour.

Other deductions – donations, tax agent fees, income protection insurance, rental property expenses etc.

For any questions or additional information, please contact our office at 03 5470 6100. Alternatively you can e-mail us at info@castlemainefinancial.com.au