

Get the maximum refund this tax season

With over 40 years' experience in providing taxation services, the most important piece of feedback our clients have given us is that **we ask a lot more questions than their previous Accountants**.

By asking such questions – we open up the possibility of finding expenses that you normally would not claim.

Here is an example of the questions we ask:

D1 – Motor Vehicle Expenses:

Do you use your motor vehicle during work hours for work purposes?

Do you carry any heavy tools or equipment to and from your workplace?

Are you expected to run errands on your way to or from your place of work?

Do you work at different workplaces during the year or undertake relief work at premises other than your main work destination?

Do you visit clients or suppliers as part of your work role?

Are you an itinerant worker that works in different places on different days as directed by your employer?

D2 – Travel Expenses:

If you did use your car for work purposes, did you incur and tolls or parking expenses in using it?

Did you spend any nights away from home for work purposes?

Did you pay for any flights, accommodation, or meals and incidentals while you were away?

Were you paid a daily allowance for these types of trips?

Does your work role include going overseas for work purposes – to buy stock, to meet suppliers, to attend conferences or training courses?

Did your employer pay you an allowance on such trips?

Were you out of pocket for any expenses on such trips?

Did you pay for any taxi's or Ubers for work related trips when at home or on trips away?

Did you need to use Public Transport (other than commuting) for work purposes?

D3 – Work / Protective Clothing, Footwear and Safety Equipment:

Do you wear a uniform?

Did you pay for that uniform or did your employer supply it?

Was there any additional garments set out by your employer that stipulated you must wear for work purposes?

Are you in an occupation where you need to wear protective clothing or footwear?

Did you need to purchase any wet weather gear to wear whilst your working?

Did you purchase any safety equipment such as gloves, masks, hard hats, welders mask, safety vests, protective glasses, etc?

Did you pay for any dry cleaning of your uniform?

Did you launder your own work clothes?

D4 – Self Education Expenses

Are you working full time and doing a work-related course of study at a recognised educational institution or attending trade school?

Are you studying and working part time in the same industry, with the expectation for fulfilling higher duties in the same field at the completion of your study?

Did you pay any course fees directly to the institution? (Fees paid via HELP/HEC's Scheme not claimable, but fees paid via a HELP Loan could be claimable).

Do you travel for study purposes – to attend lectures, tutorials, library, study groups?

Did you purchase any equipment for use for study purposes – Laptops, Desk Computer, Ipad, Printer, scanner, etc?

Do you spend time at home studying in a dedicated area for studying?

Did you use the internet or your mobile phone for study purposes?

Did you purchase any textbooks or reference materials for your course?

Did you pay any Student fees or association memberships?

Did you purchase any stationery or do any photocopying for your study?

Did you undertake any trips as part of your study requirements?

D5 – Other Work-Related Expenses:

Have you spent money on any of the following for work purposes:

- Work bag, Lunch box, Briefcase or Laptop bag?
- Computer Software, computer hardware, virus protection, etc?
- Diary?
- Industry magazines, newspapers, periodicals, or professional journals?
- Internet usage?
- Materials used in performing your duties – classroom resources, office supplies, etc?
- Membership fees of Unions, Industry Associations, or groups?

- Overtime Meals?
- Office Furniture?
- Printing or Postage?
- Reference books or videos/DVD/CD's?
- Seminars, Training Courses or Educational Workshops?
- Stationery?
- Subscriptions?
- Home Telephone Usage?
- Mobile Phone Usage?
- Home Office? For those working from home the ATO allows you to claim a certain rate to cover things like gas and electricity while your working at home. The set rate was 52 cents per hour up until March 2020. With a lot more people being forced to work from home because of COVID-19 the ATO has increased this to 80 cents per hour. You will need to calculate pre and post March 2020 hours.
- Tool / Equipment? Purchases, replacements or repairing any tools or pieces of equipment. Any item above \$300 in individual cost needs to be depreciated (expensed) over its useful life. Hence for those tools or pieces of equipment we will need to know the date of purchase, description, and amount. For all other items under \$300 in value they can be added together for a total amount.
- Anything else? Was there anything else that you spent money on that you bought for work, because of work or to use at work?

D6 - Low Pool Deductions

This question is about claiming a deduction for the decline in value of low-cost and low-value assets you used in the course of producing income you show on your tax return, by allocating them to what is called a low-value pool. (Claims for deduction for the decline in value of assets are dealt with at other questions.)

Low-cost assets are depreciating assets that cost less than \$1,000.

Low-value assets are depreciating assets that are not low-cost assets but which, on 1 July 2018, had an opening adjustable value of less than \$1,000 under the diminishing value method.

You can have only one low-value pool.

Once you choose to allocate a low-cost asset to the low-value pool, you must allocate to the pool all other low-cost assets you start to hold in that year and in future years. Once allocated, those assets must remain in the pool.

Usually as the Accountant we would decide whether to allocate low-value assets to the low-value pool on an asset-by-asset basis.

D7 – Interest Deductions

Did you incur any expenses in earning any interest you declared at item 10?

Your expenses may include:

- bank or other financial institution account-keeping fees for accounts held for investment purposes

- management fees and fees for investment advice relating to changes in the mix of your investments
- interest you paid on money you borrowed to purchase income-producing investments.

D8 Dividend Deductions

Did you incur any expenses in earning any dividend and similar investment income you declared at item 11?

Your expenses may include:

- management fees and fees for investment advice relating to changes in the mix of your investments
- interest charged on money borrowed to purchase shares or similar investments
- costs relating to managing your investments, such as travel and buying specialist investment journals, trading software or subscriptions.

D9 – Donations

Did you donate or gift any money to any recognised Charities or Approved organisations?

voluntary gifts of \$2 or more made to an approved organisation

- a net contribution of more than \$150 to an approved organisation for a fund-raising event (see Special circumstances and glossary 2019 for further conditions)
- contributions of \$2 or more to
 - an individual who was an independent member of parliament during 2018–19 or in limited circumstances had been an independent member.

Approved organisations include:

- certain funds, organisations or charities which provide help in Australia
- some overseas aid funds
- school building funds
- some environmental or cultural organisations
- a registered political party
- An independent candidate in an election for parliament

You can also claim a deduction for:

- a donation to an approved organisation of shares listed on an approved stock exchange valued at \$5,000 or less
- a donation to a private ancillary fund
- entering into a conservation covenant.

Your receipt will usually indicate whether or not you can claim a deduction for the gift. If you are not sure, you can check with the organisation. If you are still not sure, go to abn.business.gov.au to find out whether the organisation is an approved organisation.

Employees who make donations under salary sacrifice arrangements are not entitled to claim an income tax deduction for the donation on their own tax return.

You cannot claim a deduction for a gift or donation if you received something in return (for example, raffle tickets or dinner) except in certain fund-raising events; see Special circumstances and glossary 2019.

If you made one or more donations of \$2 or more to bucket collections conducted by an approved organisation for natural disasters such as bushfires, severe storms and flooding, you can claim a tax deduction of up to \$10 for the total of those contributions without a receipt.

If you used the web or phone to make a donation over \$2, your web receipt or credit card statement is sufficient. If you donated through third parties, such as banks and retail outlets, the receipt they gave you is also sufficient. If you contributed through 'workplace-giving' your income statement or payment summary shows the amount you donated.

D10 – Cost of Managing Tax Affairs

Did you incur any expenses in managing your Tax Affairs for last year? These could include:

- expenses you incurred in managing your tax affairs, including fees paid to a recognised tax adviser for doing your tax return
- costs of applications made to the Administrative Appeals Tribunal or appeals to the courts about your tax affairs (litigation costs)
- an interest charge we imposed on you
- amounts we charged you for underestimating a varied goods and services tax (GST) instalment or pay as you go (PAYG) instalment
- expenses for complying with your legal obligations relating to another person's tax affairs.

D12 – Personal Superannuation Contributions

Did you make any personal contributions to Superannuation from your own after-tax funds?

You may be able to claim a deduction for personal contributions you made to a complying superannuation fund or RSA in 2018–19 if:

1. you satisfied the age-related conditions

2. you gave a valid notice of intent to your superannuation fund or RSA provider, in the approved form, and advised them of the amount you intend to claim as a deduction (you must give this notice on or before the day you lodge your tax return or 30 June, whichever is earlier)
 - your superannuation fund or RSA provider acknowledged your valid notice
 - your superannuation fund was not a
 - Commonwealth public sector superannuation scheme with a defined benefit interest
 - constitutionally protected fund or other untaxed fund that would not include the contributions in their assessable income
 - superannuation fund that notified the Commissioner before the start of the income year that they elected to treat all member contributions to the superannuation fund as non-deductible
 - defined benefit interest within the superannuation fund as non-deductible.

D15 – Other Expenses

Did you pay for an Income Protection Insurance Policy from your own funds during the year?

Were you out of pocket on any spending on a proposed investment such as an investment property that has is being built but was not completed in time to produce any income for this financial year?

SO – WHETHER YOU'RE A NEW CLIENT OR A CURRENT CLIENT – if you go through the questions above and Identify where and how much money you have spent for work purposes and complete of checklists and schedules and we will attempt to maximise your refund for you. If you are not sure on any of the expenses – please email and ask the question. We would hate for you to miss out on a legitimate deduction.

However - please be aware the ATO are watching closely. And where they are suspicious – they will ask for proof. You will need to be able to provide such proof that you spent the money, that you were not reimbursed for the expense and that it was for work purposes.

