

FAJ TOP TAX TIPS 2023

TRADES



Claim on work related tools and equipment Any tools purchased under \$300 can be claimed as an immediate deduction. Tools purchased over the value of \$300 can be depreciated over their useful life. As of 1 July 2023, businesses can also claim an immediate deduction for the full amount of assets costing less than \$20,000, as long as the asset was purchased and installed ready for use between 1 July 2023 and 30 June 2024. There are certain rules that need to be applied to each business when working out if they can instantly write off assets under \$20,000, so contact us before purchasing your assets.

Boost your super balance and minimise tax You can claim a tax deduction for super contributions you made in addition to your employer's contributions. The total amount of contributions from you and your employer cannot exceed \$27,500. Any tax deductible super contributions that are not used in one year may be carried forward to the following year, provided your super balance is less than \$500,000. Speak to us while we are preparing your return for a calculation of how much tax you could be saving by making personal super contributions.

Choose the most generous parental leave option Expecting a baby? Most families are better off receiving Parental Leave Pay rather than the Newborn Upfront Payment. As of 1 July 2023, Parental Leave Pay and Dad and Partner Pay have been combined to one payment. Parents have access to a total of 20 weeks paid leave and this can be split between both parents in any ratio. If you are eligible we can help you choose the payment which is best for you.

Save by packaging your salary A good way to increase your take home pay or your super balance is to take advantage of salary packaging. Items which can be salary sacrificed include superannuation contributions, motor vehicle leases and portable electronic devices.

Use your private hospital cover to reduce your tax surcharge If you earn more than \$90,000 per year personally or \$180,000 as a family and you do not have appropriate private health insurance, you will be liable to pay the Medicare Levy Surcharge. We can help you understand the tax saving you will receive as a result of taking out private health insurance. Please note, the thresholds increase to \$93,000 for individuals and \$186,000 for families in the 2023/24 year.

Ensure you get the maximum family tax benefit Not claiming Family Tax Benefit fortnightly? The good news is you may be eligible for a lump sum - but don't miss the deadline for claiming. See us for any information relating to your Family Tax Benefit claim.

Maximise your travel related deductions

Travelling between two jobs is tax deductible. Overnight travel and the expenses that go along with it may also be deductible. There might be other deductible travel you don't know about, such as travelling from home to work with bulky equipment. Keep track of all work travel and expenses to allow us to claim the most for your travel. Ask us for a complimentary FAJ log book or use our app.

Claim on work related education and training You can claim the cost of work related training courses that maintain or improve your ability to perform in your current job. This includes expenses such as conferences, seminars, licences, and short and long term courses that relate to your current employment. Costs incurred in attending TAFE (and in some circumstances, University) are also tax deductible, provided they relate to your current employment. Costs you can claim include course fees, travel, stationery, books, parking fees, and accommodation and meals if away from home overnight.

Turn work at home into tax deductions Your internet, phone, electricity and other running expenses may be tax deductible if you work from home. As of 1 July 2022, there are only two methods to claim home office expenses - the revised fixed rate method, or the actual cost method. Regardless of the method used, to be eligible you need prove that you have incurred additional running expenses as a result of working from home. Under the revised fixed rate method, you can claim 67 cents an hour for each hour you work from home. The rate now covers the work related use of your phone, internet, electricity, gas, and stationery and ink, but depreciable items such as laptops and desks can be claimed separately. In order to substantiate your home office claim, from 1 March 2023, you will need to provide a written record of every hour worked from home.

Maximise your work related deductions As a general rule, if an item of expenditure is directly related to your current employment, you were not reimbursed for the expense and you have a record to prove it, you may be able to claim it as a deduction. For example, protective clothing, laundering uniforms, sun protection, income protection insurance, union and industry fees, portable electronic devices used for work, and subscriptions are all deductible.

ATO audit hot-spots - Travel Allowance The reasonable travel allowance rates set by the ATO are increasingly becoming a hotspot with a greater number of taxpayers claiming the maximum allowance rates without substantiation. To ensure your claim is legitimate make sure your employer is paying you a reasonable travel allowance specific to the travel or overnight trip, keep a travel diary detailing actual expenses incurred, and retain receipts of large payments such as accommodation and flights.

Francis A Jones has developed these Tax Tips to help you get exactly what you're entitled to in your tax refund. You can make an appointment by filling out the online appointment form www.faj.com.au/taxreturns or phone FAJ on 9335 5211.

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