

2023 TAX RETURN CHECKLIST

Need a little help getting your paperwork ready for tax time?

Use our handy Checklist to ensure you have all the documentation you need to ensure the tax return process runs as smoothly as possible for you.

You must include all **INCOME** in your tax return:

- **payment summaries** for salary and wages;
- **lump sum and termination** payment statements;
- **government pensions and allowances** statements;
- **superannuation pensions and/or annuities** statements;
- **allowances details** (e.g. travel, entertainment, car, tools);
- **interest income** (e.g. bank interest accrued) and dividends statements;
- **rental income** (see next page)
- **distributions** from partnerships or trusts (managed funds); and
- **details of any assets sold** that were either used for income producing purposes or which may be caught by capital gains tax (e.g. sale of a car, boat, caravan, collector's items etc.)

There are many work and non-work related expenses you can claim as **DEDUCTIONS** in your tax return.

- **cars, transport or travel (business/work related);** Travel-related expenses you incur while working. From 1 July 2022, the **cents per km** rate has increased to 78 cents, or you can use the **logbook method**. You can also claim expenses such as road tolls, car park costs, accommodation etc. as long as you have not received any reimbursement from your employer for these;
- **allowance claims** (e.g. travel, uniform, tools);
- **meals, entertainment and functions;** a strict category to claim from - it mostly relates to meals bought due to working overtime;
- **depreciation of library, tools, business equipment;** this category is broad. It can include phones, internet expenses and more, but care is needed as some of these may fall under the WFH shortcut method (see below);
- **working from home expenses** relating to work, depreciation of office furniture, electricity, internet & telephone. The WFH claim methods have been adjusted this year. You can either use the **fixed rate method** (67 cents per WFH hour) or the **actual costs method** (claim exactly how much you spent based on bills and receipts);
- **education, training and seminars;** this deduction can be claimed for any out of pocket courses or training (including first aid) that you were required to undertake due to your work;
- **memberships, accreditations, fees and commissions;** includes Union fees, professional memberships and agency fees, working with children checks etc. required to work in your job;
- **personal grooming, health and fitness;** a strict category that covers any compulsory medical assessment you may have had to undergo for work, or out of pocket expenses relating to COVID-19 testing;

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- **clothing & laundry expenses;** occupation-specific clothing, logo clothing & protective clothing
- **investments, insurance, interest and super;** (bank fees, ongoing management fees, interest on borrowings to acquire shares, advice relating to changing/ reviewing investments; you can also claim a deduction if you made personal superannuation contributions, but there are strict rules around this;
- **rental property expenses** (see below);
- **sun protection items** when working outside;
- **tax agent fees;** if you paid a tax agent last year to complete your tax return, you can claim the expense in this year's return;
- **gifts or donations;** donations and gifts are deductible if they were made to an organisation that has a deductible gift recipient (DGR) status. This includes any donations to social media fundraisers or crowdfunding campaigns. You must keep a record of your donations in order to claim a deduction. You cannot claim a donation as a deduction if you received goods or services in return (e.g. purchased a \$5 pen from the Cancer Council). You can only claim a deduction on donations worth \$2 or more.

RENTAL PROPERTY CHECKLIST

Owning a rental property can provide significant tax benefits. To ensure you're receiving the full benefit in your next tax return, we have prepared this checklist of information you will require when submitting your tax records relating to the property, as well as additional documents necessary if you have purchased or sold a rental property in the current year. While the checklist is generally relevant to most rental property owners and has been developed to ensure claims are maximised, you should seek advice specific to your own circumstances to ensure you meet your taxation obligations.

Information Required	Source Document	Total
No. of weeks property was rented		___ weeks
No. of weeks property was available for rent		___ weeks
Gross rental	Property Manager Statement(s)	\$ _____
Other Income (e.g., Water Usage)	Property Manager Statement(s)	\$ _____
Bank charges	Rental Account Bank Statement(s)	\$ _____
Property Agent Fee/Commission/	Property Manager Statement(s)	\$ _____
Repairs & Maintenance	Invoices	\$ _____
Council Rates	Rates Notice - Total	\$ _____
Insurance	Invoice/ Renewal Notice	\$ _____
Interest	Loan Bank Statement(s)	\$ _____
Loan Fees	Loan Bank Statement(s)	\$ _____
Telephone	Invoices	\$ _____
Other Stationary/ Postage	Invoices	\$ _____
Body Corporate Fees	Invoices	\$ _____
Investment Magazines/ Journals	Invoices	\$ _____
Cleaning	Invoices	\$ _____
Gardening	Invoices	\$ _____
Pest Control	Invoices	\$ _____
Water Rates	Invoices	\$ _____
Other Sundries (Letting fees etc.)	Invoices	\$ _____
		\$ _____
If new property, first rented or sold this financial year:		
Bring Settlement Statement		
Date Property First or last Rented		___/___/___
Borrowing Costs		\$ _____
Establishment Fees Date		___/___/___
Depreciation Information* - Quantity Surveyors Report		
Quantity Surveyors Fees		\$ _____

If your property is negatively geared and you want to receive your tax refund in your regular pay, please contact us to arrange an Income Tax Withholding Variation Form.

FAQ - Frequently Asked Questions

Q: Why is my tax refund so low this year?

A: According to the ATO, there could be multiple reasons for a lower refund this year.

- a) your refund could be **offset against other outstanding debts you owe**
- b) there could be a **difference between the data you entered in your return and the ATO's pre-filing data**
- c) your **income and deductions have changed** since last year
- d) the **elimination of the low and middle income tax offset (LMITO)** has caused the low refund (or even a tax bill)

The most likely reason for low returns this year is going to be the elimination of the LMITO, which was brought in by the government in the 2018/19 Federal Budget. The offset gave those earning between \$37,000 and \$126,000 a tax benefit of up to \$1,500 depending on their level of income. Those earning between \$40,001 and \$90,000 were entitled to the full \$1,500 offset.

With over 10 million taxpayers claiming the LMITO in the 20/21 financial year, the offset was a welcome benefit. The benefits are now over, running out on 30 June 2022.

If you have a discrepancy of approximately \$1,500 in your 2023 return, the missing LMITO could be the culprit.

Q: Do I need to keep records and receipts for all deductions?

A: Some deductions require proof of records, but other do not.

Specific deduction categories do require proof of record, regardless of the amount claimed (e.g. donations). If the total amount of work expenses you are claiming is LESS THAN \$300, you do not need to retain proof. If your deductions total more than \$300, you are required to keep proof of records (receipts, statements etc.) for 5 years if you are an individual, or 7 years if you conduct business. The ATO can choose to audit or query a taxpayer at any time, so always keep accurate and complete records. You can store these in folders on your PC, in cloud-based storage, hard paper copies or use something like the free ATO app to keep records.

Q: Can I ignore tax time if I don't think I need to lodge this year?

A: No - the ATO must know if you aren't required to lodge.

Regardless of whether you are required to lodge your return or not, you still need to let us (or the ATO) know. If you're not required to lodge for a particular year, the ATO needs to be informed to ensure they don't chase you up for non-lodgement further down the track. If you're unsure whether you are required to lodge this year, contact us to check for you.

DEPRECIATION - THE TAX DEDUCTION LOTS OF PROPERTY INVESTORS FORGET TO CLAIM!



There are lots of property-related tax deductions that all investors claim: council rates, water rates, property management fees, repairs etc. But depreciation is one that many people don't even know about.

What is depreciation? Think of it as compensation for wear and tear. Buildings suffer wear and tear, and so do their contents. If you are renting out a property, you can claim this as a tax deduction.

To claim depreciation, you need a Quantity Surveyor to put together a document called a Depreciation Schedule. It sets out how much you can claim every year as a deduction.

Depending on when your property was built, the Quantity Surveyor will estimate the construction cost at the time it was built and they will put a value on it. You will claim this at 2.5% per year.

You can even claim depreciation on renovations done by a previous owner.

If you bought the property before May 9, 2017, you will also be able to claim depreciation on the Assets: appliances, carpet, air con etc. that were in the property when you purchased it.

On a recently built property, the tax deduction for depreciation can easily be around \$8,000 per year, so in many cases, it could be an investor's biggest property-related tax deduction. What a pity that so many people forget to claim it!

There is a company that we know and trust called Depreciator.

They have done tens of thousands of Depreciation Schedules and will be able to tell you over the phone how much depreciation might be in your property and how much their 100% tax deductible fee for service will be.

You can call them on 1300 660 033, visit their website www.depreciator.com.au or contact our office for more information.

