



2023 Individual Checklist

Our services include Tax Returns,
Bookkeeping, Financial Planning,
Mortgage Broking, Asset finance
and much more

INCOME

■ Please provide evidence that is relevant for you:

- Salary or Wages (Income Statement)
- Allowances, Tips, Earnings, Directors Fees
- Employer Lump Sum Payments, Employment Termination Payments (ETP)
- Government Allowances including Youth Allowances, Newstart and Austudy
- Australian Government Pensions and/or Superannuation Income Streams
- Australian Superannuation Lump Sum Payments
- Gross Interest for each account
- Dividends received on Shares and Managed Fund Statements
- Employee Share Schemes
- Distributions from Trusts and/or Partnerships
- Capital Gains (include the sales proceeds and all the costs related to acquiring the asset)
- Crypto Tax Report
- Foreign Source Income
- Rental Property Income – please refer to separate *Rental Property Checklist*
- Any Other Income

DEDUCTIONS

■ Please provide evidence that is relevant for you:

- Motor Vehicle Expenses – please refer to separate *Motor Vehicle Checklist*
- Work-related Travel Expenses
- Work-related Uniform Expenses (including protective clothing)
- Work-related Self-Education Expenses (travel to course, course fees, books & stationery)
- Work-related Expenses (telephone, union fees, tools and equipment, computer, subscriptions, printing & stationery, internet cost, sun protection and any other work-related deductions incurred)
- Costs incurred if you received income from interest and/or dividends eg, interest paid
- Donations (where receipts were given for donations over \$2)
- Last Year Tax Agent Fee
- Income Protection

OTHER INFORMATION

■ Please provide evidence that is relevant for you:

- Private Health Insurance Statement
- Spouse's Income
- Any other documentation that you believe is relevant for your tax (bring it along and we will tell you whether it should be reported or claimed)
- BSB and Account Number (to have refunds paid directly into your bank account)
- A copy of previous year tax return (for new clients only)
- If you want a mortgage health check/review please bring your most recent home loan statement
- If you want a health check on your superannuation and personal insurances please bring your most recent superannuation statement

WORKING FROM HOME EXPENSES FOR 2023

If you performed some of your work from your home office during the 2023 financial year, you may be able to claim a deduction for the costs you incur in running your home office, even if the room is not set aside solely for work-related purposes.



CHANGES FOR 2023

To be eligible to claim a deduction for working from home expenses, you must:

- incur additional running expenses as a result of working from home
- be working from home to fulfil your employment duties, not just completing minimal tasks
- keep records at the time you work to prove you incur the cost.

To calculate your working from home expenses, you can use the revised fixed rate method or the actual cost method.

REVISED FIXED RATE METHOD

The revised fixed rate method allows you to claim 67 cents per hour you work from home for the expenses listed below. You no longer require a dedicated home office to use this method.

Expenses included in the revised fixed rate are:

- data and internet
- mobile and home phone usage
- electricity and gas
- computer consumables (e.g. printer ink)
- stationery.

You **can't** claim a separate deduction for any of the expenses the revised fixed rate includes.

You **can** claim a separate deduction for:

- the decline in value of assets used while working from home, such as computers and office furniture
- the repairs and maintenance of these assets
- cleaning (only if you have a dedicated home office).

work from home, keep one bill for each of these expenses).

You will also need records for items you claim as a separate deduction.

From 1 July 2022 to 28 February 2023, the ATO accept a record which represents the total number of hours worked from home (for example a 4 week diary).

From 1 March 2023 onwards, a record of all the hours you worked from home is required.

CONTACT US for a 2023 Working From Home Diary Template for you to use to record your working from home hours.

ACTUAL COST METHOD

The actual cost method allows you to claim a deduction for the actual expenses you incur as a result of working from home.

You may be able to claim a deduction for each of the expenses you incur, such as:

- data and internet
- mobile and home phone usage
- electricity and gas
- computer consumables (e.g. printer ink)
- stationery
- the decline in value of assets used while working from home, such as computers and office furniture, as well as any maintenance and repairs of these items
- cleaning (only if you have a dedicated home office).

The actual cost method requires detailed calculations and records. For example, you will need to know and have records of the cost per unit of electricity and average units used per hour

These shortcut arrangements do not prohibit people from making a working from home claim under existing arrangements, where you calculate all or part of your running expenses.

The ATO will review the special arrangement for the next financial year as the COVID-19 situation progresses.

RECORD KEEPING CHECKLIST

Revised Fixed Rate Method

You will need the following records:

- a record of all the hours you work from home for the entire year (e.g. a timesheet, roster, diary or similar document)
- evidence you paid for the expenses covered by the revised fixed rate method (for example, if you use your phone and electricity when you

Actual Cost Method

You will need to keep a record for every expense you claim.

Also, you need the following evidence to show you have incur additional running expenses:

- receipts, bills or invoices which show the supplier, amount of the expense, nature of the goods, date it was paid and the date of the document
- evidence of your personal and work-related use of the items or services you buy and use.

You can work out your work-related expenses using records for the entire year or over a 4 week period that represents your work use – for example, using a diary or itemised bill.

Decline in Value of Assets and Equipment

You will need records for depreciating assets, that show:

- when and where you buy the item and its cost
- when you started using the item for a workrelated purpose
- how you work out your percentage of work-related use, such as a diary that shows the purpose of and use of the item for work
- either:
 - a copy of the Commissioner's Determination of Effective Life you use to work out the decline in value
 - how you work out the effective life if you don't use the Commissioner's determination
- which method you choose to work out the decline in value

OCCUPANCY EXPENSES

Claims for occupancy expenses are allowed only if the home is used as a place of business. Occupancy expenses include rent, mortgage interest, water rates, repairs, house insurance premiums.

The claim can be made as an apportionment of total expenses incurred on a floor area basis.

Warning: Being able to claim these expenses may affect your 'main residence exemption' for capital gains tax purposes if you sell your house in the future.

WHEN IS A HOME A PLACE OF BUSINESS?

The following factors, none of which is necessarily conclusive on its own, may indicate whether, or not, an area set aside has the characteristics of a place of business:

- the area is clearly identifiable as a place of business
- the area is not readily suitable or adaptable for use for private or domestic purposes in association with the home generally

- the area is used exclusively, or almost exclusively, for carrying on a business, or
- the area is used regularly for client or customer visits.

If you use your home to carry out income producing activities as a matter of convenience, you are not entitled to a deduction for occupancy expenses. It would be rare for an employee to be able to claim occupancy expenses.

NEXT STEPS

For further information and expert assistance to prepare your tax return and maximise your tax refund, contact our office today!



Phone: (03) 7035 3501

Email: admin@futureadvisory.com.au



2023 Tax Deduction Checklist

IS IT TAX DEDUCTIBLE?

Everyone wants to pay less tax, right? To do that you need to know what you can claim... and what you can't.

It's not about cheating the system, or creative accounting. It's all about claiming what you're entitled to. That's why we've developed the "Is it Tax Deductible?" checklist designed for the individual taxpayer.

YOUR CHECKLIST

ITEM	YES	NO
ADMISSION FEES For lawyers and other professionals. Disallowed as this is a capital cost.		x
AIRPORT LOUNGE MEMBERSHIP Deductions to the extent used for work-related purposes.	✓	
ANNUAL PRACTICING CERTIFICATE Applies to professional persons and other contractors who must pay an annual fee to practice in their chosen field.	✓	
BANK CHARGES Deductions are allowed if account mainly earns interest. <u>NOT</u> private transaction fees.	✓	
BRIEFCASE If used for work and/or business purposes the cost is fully deductible if \$300 or less. If more than \$300, it must be depreciated.	✓	
CALCULATORS + ELECTRONIC ORGANISERS If used for work and/or business purposes the cost is fully deductible if \$300 or less. If more than \$300, it must be depreciated.	✓	

ITEM	YES	NO
CHILDCARE FEES		x
CLOTHING, UNIFORMS + FOOTWEAR Compulsory Uniform. Uniform must be unique and, to an organisation (e.g. corporate uniform) Non-Compulsory Uniform. If on a register kept by the Department of Industry, Science and Tourism. Occupational Specific. The clothing identifies a trade, vocation or profession (e.g. chefs and nurses) Protective. Must be used to protect the person or their conventional clothing. May include sunscreen.	✓	
CLUB MEMBERSHIP FEES		x
COACHING CLASSES Allowed to performing artists to maintain existing skills or obtain related skills	✓	
COMPUTER + SOFTWARE Software is generally deductible if it costs less than \$300, otherwise deductible over 2.5 years.	✓	
CONFERENCES, SEMINARS + COURSES Allowed if designed to maintain or increase employee's knowledge, skills or ability.	✓	
CONVENTIONAL CLOTHING Unless deemed to be stage clothing for an arts performer.		x
COVID-19 TESTS If test used for work related purpose, you paid for it and it was not reimbursed to you by your employer, and was a PCR or RAT test. NOTE: Not deductible if you work from home and don't intend to attend your workplace.	✓	
CRYPTOCURRENCY SOFTWARE	✓	
DEPRECIATION Tools, equipment, and plant used for work purposes for each item costing more than \$300. Items costing \$300 or less are deductible outright in the year of acquisition.	✓	
DRIVER'S LICENCE Cost of acquiring and renewing.		x
DRY CLEANING Allowed if the cost of the clothing is also deductible. See also 'Laundry'.	✓	
ENTERTAINMENT EXPENSES		x
FINES Imposed by court, or under law of Commonwealth, State, Territory or foreign country (s26-5).		x
FIRST AID COURSE Provided it is directly related to employment or business activities.	✓	
GAMING LICENCE Hospitality industry.	✓	

ITEM	YES	NO
GIFTS / DONATIONS OF \$2 OR MORE	✓	
If made to an approved 'deductible gift recipient' body or fund. See ato.gov.au for a full list. Gifts to clients are deductible if employees can demonstrate a direct connection with earning assessable income.		
GLASSES + CONTACT LENSES (PRESCRIBED)		✗
These would qualify as medical expenses (which themselves are being phased out). Deductible if 'protective clothing'.		
GLASSES + GOGGLES	✓	
Protective only		
GROOMING		✗
Unless employed as aircraft cabin crew or a performing artist (limits apply)		
HELP / HECS REPAYMENTS		✗
HOME OFFICE EXPENSES	✓	
If you perform some of your work from your home office, you may be able to claim a deduction for the costs you incur in running your home office. Running Expenses. For example, electricity, gas and depreciation of office furniture (e.g. desk, tables, chairs, cabinets, shelves, professional library). Occupancy Expenses. For example, rent, insurance, rates and land tax. Deductible only to the extent that a portion of the home is used as a place of business and has the characteristics of a business.		
INCOME PROTECTION INSURANCE	✓	
Allowed only if the proceeds upon a claim are assessable.		
INSURANCE – SICKNESS OR ACCIDENT	✓	
Allowed only if the proceeds upon a claim are assessable.		
INTEREST	✓	
Allowed if money borrowed for work-related purposes or to finance income earning assets. Interest paid on underpayment of tax (e.g. General interest charge) is deductible. Fines and administrative penalties are not deductible. Interest on capital protection loans is deductible, except for a non-deductible capital protection component.		
INTERNET + COMPUTER EQUIPMENT	✓	
Expenses allowed to the extent incurred in deriving an individual's work-related income, carrying on a business or earning investment income (e.g. share investing).		
LAUNDRY + MAINTENANCE	✓	
Allowed if the cost of clothing is allowable (see 'Clothing, Uniforms and Footwear'). Reasonable claims of up to \$150 do not need to be substantiated.		
LEGAL EXPENSES	✓	
Renewal of existing employment contract.		

ITEM	YES	NO
MEALS		
Eaten during normal working day		
Meals acquired when travelling overnight for work-related purpose		
Meals when travelling (not overnight)		
Overtime meals. If allowance received under an award		
MEDICAL EXAMINATION	✓	
Only if from the referral of a work-related business licence and shown on your payment summary, not to obtain a job as this would be classified as capital in nature.		
NEWSPAPERS		✗
Claims may be allowed in limited cases if the publication is directly related to income-producing activities.		
OVERTIME MEAL EXPENSES	✓	
Only if award overtime meal allowance received.		
PARKING FEES + TOLLS	✓	
Includes bridge and road tolls (but not fines) paid while travelling for work-related purposes.		
PHOTOGRAPHS (PERFORMING ARTS)		
Cost of maintaining portfolio		
Cost of preparing portfolio		
PRACTISING CERTIFICATE	✓	
Applies to professional employees.		
PREPAID EXPENSES	✓	
Non-business individuals and Small Business Entity (SBE) taxpayers claim is fully deductible if services are to be performed in a period not exceeding 12 months. All other taxpayers must apportion claim over the period of service.		
PROFESSIONAL LIBRARY (BOOKS + CDS + VIDEOS ETC)	✓	
Established library (depreciation allowed) New Books. Full claim if cost \$300 or less (includes a set if total cost is \$300 or less) New Books. Depreciation if cost over \$300 (includes a set if total cost is more than \$300)		
PROFESSIONAL ASSOCIATION FEES	✓	
PROTECTIVE EQUIPMENT	✓	
Includes harnesses, goggles, safety glasses, breathing masks, helmets, and boots. Claims for sunscreen, sunglasses and wet weather gear allowed if used to provide protection from natural environment.		
REMOVAL + RELOCATION COSTS		✗
If paid by the employer, may be exempt from FBT, but deductible.		
REPAIRS	✓	
To income producing property / or work-related equipment.		
SOCIAL FUNCTIONS		✗

ITEM	YES	NO
SEMINARS	✓	
Including conferences and training courses if sufficiently connected to work activities.		
SELF-EDUCATION COSTS	✓	
Claims for fees, books, travel (see below) and equipment etc. only if allowed if there is a direct connection between the course and the person's income earning activities.		
STATIONERY	✓	
Diaries, log books, pens, papers etc.		
SUBSCRIPTIONS		
Publications if a direct connection between publication and income earned by taxpayer	✓	
Professional associations. Maximum of \$42 if no longer gaining assessable income from that profession.	✓	
Sports club		✗
SUN PROTECTION	✓	
Claims for sunglasses, hats and sunscreen allowed for taxpayers who work outside.		
SUPERANNUATION CONTRIBUTIONS	✓	
Claims allowed in respect of employees of your business. Personal superannuation contributions. To claim your deduction, you need to provide acknowledgement from your superannuation fund that you have submitted an intention to claim form with them.		
No deduction is available for interest on borrowed monies used to finance deductible personal superannuation contributions.		
TAX AGENT FEES	✓	
(Deduction can be claimed in the income year the expense is incurred)		
Travel and accommodation expenses if for travel to a tax agent or other recognised tax adviser to obtain tax advice, have returns prepared, be present at an audit or object to an assessment.		
Cost of other incidentals if incurred in having tax return prepared, lodging an objection or appeal or defending an audit.		
TECHNICAL + PROFESSIONAL PUBLICATIONS	✓	
TELEPHONES + OTHER TELECOMMUNICATIONS EQUIPMENT		
Including mobiles, pagers and beepers. Cost of telephone calls (related to work purposes)	✓	
Installation or connection (depreciable if dedicated to earning business income)		✗
Rental charges (if 'on call' or required to use on regular basis)	✓	
Silent telephone number.		✗

ITEM	YES	NO
TOOLS	✓	
Work related only. If cost is \$300 or less.		
If cost more than \$300, the amount would be depreciable, and the amount deductible equals to the decline in value.		
TRAUMA INSURANCE		✗
If benefits capital in nature.		
TRAVEL EXPENSES		
Including public transport, motor vehicles and motor cycles, fares, accommodation, meals and incidentals for travel between home and work.		✗
Where employee has no usual place of employment (e.g. travelling salesperson).	✓	
If 'on call'		✗
If you're working before leaving home (e.g. doctor giving instructions over phone from home. Note that this applies in limited circumstances only).	✓	
Must transport bulky equipment (e.g. builder with bulky tools) and no reasonable place to leave at work. (Under scrutiny by the ATO currently)	✓	
Travel from home (which is a place of business) to usual place of employment		✗
Travel from home to alternate work place (for work-related purposes) and return to normal work place (or directly home)	✓	
Travel between normal work place and alternate place of employment (or place of business) and return (or directly home)	✓	
Travel between two work places	✓	
Travel in course of employment: See Substantiation rules at Section 12.210	✓	
Travel accompanied by relative (may be allowed if relative is also performing work-related duties)		✗
UNION + PROFESSIONAL ASSOCIATION FEES	✓	
VACCINATIONS		✗
WATCH		✗
Unless job specific such as a nurse's fob watch.		

FOR MORE INFORMATION

If you'd like more information on any of the above items, please feel free to contact us today.



Phone: (03) 7035 3501

Email: admin@futureadvisory.com.au