



Last-Minute Tips to Get a Bigger Australian Tax Return

The Australian Tax Deadline of October 31 has come and gone but you'll want to avoid fees, penalties and even a potential audit for lodging a late tax return. Even though time has closed, you'll want to make the most out of the 2020 tax time and maximise your tax return.

After all, why pay more tax than you have to.

All in one place

The more organised you are, the less stressful tax time is. It's a good idea to keep all of your receipts, invoices and bills in one place so you don't have to go through every box and drawer in the house to back up your claims. Without accurate records, you won't be able to claim more of your expenses.

ITP recommend the use of a cloud based accounting software package. Not only will it keep you up to date with managing your receipts, you'll be able to download a list with the simple click of a mouse come tax time. The ATO can ask for your receipts going back as far as five years and many modern thermal receipts fade within twelve months. Having digital copies or photos of receipts means that this problem will be overcome and you will have no problem proving your expenses.

While each person's tax return is different, here is a general list of the statements you'll need to bring with you into your appointment:

- A copy of last year's tax return
- Paperwork for the sale of businesses, shares or property
- Private health insurance details
- The details of your spouse, their income and the number of dependant children
- A list of all of your income streams, trust accounts, foreign income, interest, dividends, rental income
- A list of all of your work-related expenses, donations, professional association fees and subscriptions, union fees, educational expenses, a log book for your cars work related travel, travel expenses including taxis and any expenses related to your home office.

Work-related expenses

Knowing exactly what you can claim will go a long way to maximise your tax return. Every profession has a list of items that can be deducted. Car, travel, accommodation, meals, uniforms, and safety gear are all eligible claims you can make.

The rule of thumb, is you'll be able to claim expenses incurred if it directly relates to your income stream, if you have incurred the expense and not been reimbursed, and that you have already spent the money.

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Medicare rebates

If you have private health insurance and are eligible, you'll be able to claim a rebate as a reduction on the premium you pay to their insurer. Alternately, it could be claimed as a refund if you haven't elected to pay the reduced premium to your health fund provider.

Similarly, if you were credited for medical expenses in last year's tax return, you may be eligible to claim up to 20% of your expenses this year depending on the amount and type of medical expenses incurred.

Superannuation

Self-contributing into your super is a good way to decrease your total taxable income. Your tax rate for contributions is reduced and you'll be able to increase your savings faster. You'll be able to contribute up to a maximum of \$25,000 per year inclusive of what your employer pays. You may be eligible to use the First Home Super Saver (FHSS) scheme in which you can use your superannuation account to save for your first home faster. Contributions are taxed at a flat rate of 15 percent.

Watch the dates for contributions. The ATO will look at the date on which your contribution was shown in your superannuation's account, not the date you made the contribution. Don't leave it until the 30th June to make contributions.

Income protection insurance

Income protection insurance premiums paid to an insurance company are tax deductible as they are insurance to cover your wages in the event that you cannot work because of sickness or injuries. Generally income protection insurance paid within your superannuation fund is not claimable.

Delay income

You may be able to reduce your tax bill by delaying income into the next financial year. If you're owed a salary bonus, capital gains from property, investments or shares, delaying the income into the new financial year means you won't be taxed on it.

As these handy tips are of a general nature only, if you're really looking to maximise your claimable deductions, always speak to a professional to work out what your game-plan should be.

There are a number of claims everyday Australians are entitled to make but you must know them all in order to be able to reduce your tax bill. It's always best to speak to someone who knows.

ITP tax agents are accountants who have specialised training in the complex laws, rules and regulations of tax. They know exactly what and how much you can claim to reduce your tax bill. What may seem like irrelevant information to you, might have a high impact on the money you pay to the ATO.

Remember – an ITP Tax Accountant can refund your tax refund if you did make a mistake. Things aren't set in stone. Call 1800 367 487 and chat with a friendly ITP Tax Accountant today.

While you make think you can take your tax return into your own hands, it may be costing you far more money than the cost of your tax agent. ITP's expert advice is convenient and affordable.

Speak to a Professional today. Booking an appointment is easy. Appointments can be conducted over the phone or email if you find it hard to come in during business hours.

ITP The Income Tax Professionals are more than tax agents. They have been helping Australian individuals and businesses with their business accounting and advice for 50 years and offer a wealth of knowledge. Speak to a Professional today and see how your business can be more profitable.



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