

# FAJ TOP TAX TIPS 2024

## GENERAL



**Turn work at home into tax deductions** Your internet, phone, electricity and other running expenses may be tax deductible if you work from home. There are two methods to claim home office expenses – the revised fixed rate method and the actual cost method. Regardless of the method used, to be eligible you need to prove that you have incurred additional running expenses working from home. Under the revised fixed rate method, you can claim a deduction of 67 cents for each hour worked from home. The rate 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 you will need to provide a written record of every hour worked from home during the year.

**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. As of 1 July 2024, the total annual contributions from you and your employer cannot exceed \$30,000 (\$27,500 up to 30/06/24). Any unused tax deductible super contributions 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 save by personally contributing to your superfund.

**Use your private hospital cover to reduce your tax surcharge** As of 1 July 2024, if you earn more than \$97,000 per year personally or \$194,000 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.

**ATO audit hot-spots** With the new tax year, brings forth new areas of audit focus. For 2023-24, the ATO has announced their intention to focus on three common errors in individual tax returns. The first error is taxpayers claiming the working from home deduction without satisfying the substantiation requirements, so please remember to keep a record of all your hours worked from home. The second error relates to the correct tax treatment of capital expenditure in rental properties. Our accountants can assist in determining whether your expenditure is immediately deductible, or if it needs to be claimed over several years. The final error the ATO is on the lookout for this year, is the omission of income from taxpayers returns. So if you're unsure whether income you've earned during the year is taxable, we urge you to confer with your accountant on the matter.

**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, income protection insurance, union fees, tools, portable electronic devices used for work, subscriptions and journals are all deductible.

**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 a record 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.

**Turn charity donations into tax deductions** You can claim a deduction for voluntary donations of \$2 or more made to approved organisations. Approved organisations include funds, charities or organisations registered in Australia as Deductible Gift Recipients. This includes school building funds, if they are registered.

**It's not just our fees that are tax deductible** Did you know that as well as being able to claim the fees paid to FAJ for preparing your tax return you can also claim the cost of travelling to FAJ and parking fees?

**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.

**Get the most out of your property investment** For tips on what you can claim and what it means to negatively gear a property, please download our checklist 'FAJ Top Tax Tips for Property Investors'.

**When might deductible expenditure not be beneficial to you?** Did you know only a percentage of an expense is recovered by claiming deductions? The lower your tax bracket, the lesser the tax benefit. If your taxable income is below the \$18,200 tax free threshold, there are no tax benefits to claiming deductions. It is not advisable to spend money on tax deductible items just to get the tax deduction.

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](http://www.faj.com.au/taxreturns) or phone FAJ on 9335 5211.

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