

Money Matters 2023

TAX Time

This tax time don't just copy and paste

By BRODIE EVERIST

YOU could be shrinking your tax refunds if you just copy and paste last year's expenses, says Myrtleford tax agent Geoff Zach, meanwhile the ATO is also reminding taxpayers that some work-related deductions have changed.

Mr Zach, manager of Belmore's accounting firm, reminded taxpayers the Low and Middle Income Tax Offset (LMITO) has ended, meaning taxpayers should take extra care to ensure they have claimed adequately for work-related expenses because their tax refunds may be significantly down on previous years.

"If you put down \$100 every year, really think about what you are putting down," he said.

"It may be something different, especially with the changes of the cost of living - that also changes the cost of your deductible expense as well."

He estimated the lack of the LMITO may be around a \$1500 drop on last year's return for some taxpayers.

"Those in the past that haven't put down the right deductions, they might have under claimed in the past, might feel like they're not getting enough of a refund," he said.

"That'll be a good opportunity for them to come speak to an accountant and have a look at what they can do better."

Meanwhile, the ATO is reminding workers they shouldn't just copy and paste last year's work-related expenses because their working conditions may have changed, and the work from home deduction has shifted.

"We continue to see shifts in the way Aussies are working, and it's important to consider whether your claims reflect your

working arrangements this year," ATO assistant commissioner Tim Loh said.

"There have also been some changes in how you calculate things like working from home deductions, so don't be tempted to just copy and paste your prior year's claims - we know a lot of people are working back in the office more compared to last year."

To claim working from home expenses as a deduction, you can use the actual cost, or the revised fixed rate method, so long as you meet the eligibility and record-keeping requirements.

This year taxpayers can claim 67 cents for each hour worked at home under the fixed rate method, up from 52 cents last year.

This rate covers energy expenses (electricity and gas), phone usage (mobile and home), internet, stationery, and computer consumables.

Declining asset value, costs of repair and maintenance, and costs associated with cleaning a home office can be claimed separately.

Taxpayers need to keep a record of all the hours worked from home for the entire income year - the ATO won't accept estimates, or a 4-week representative diary or similar documents.

"Keeping good records will give you flexibility to choose the right method that suits your circumstances and gives you the best deduction this tax time," Mr Loh said.

The other method to claim working from home expenses, known as the actual cost method, has not changed.

This involves keeping detailed records for all the working from home expenses being claimed, to determine their 'actual cost'.



RETURN READY: Geoff Zach, manager of Belmore's in Myrtleford, said it's especially important to re-examine work-related expenses this year.

PHOTO: Brodie Everist

Confidential advice, specific to your needs

Belmores
CHARTERED ACCOUNTANTS

Ph: 03 5752 2288
1-7 Albert St Myrtleford
& 3 Ireland St Bright
www.belmores.com.au

Numurkah
03 5862 1411

Yarrawonga
03 5744 1221

