Sheppard Hanson & Co
CERTIFIED PRACTISING ACCOUNTANTS

Principal | **Daniel J Hanson** B.Com, CPA | Email: reception@sheppard.net.au | Registered Tax Agent | ABN 62 739 820 705

2018/19 Individual Tax Return Checklist

Your Checklist

- Claims for deductions ✓
- Receipts for deductions ✓
- Car claims and log books ✓

Please review the information below and contact our office if you need assistance.

Tax saving strategies prior to 1 July 2019

A good strategy to reduce tax payable is normally to accelerate any income tax deductions into the current income year, which will reduce overall taxable income in the current year.

The tax rates for resident (adult) individual taxpayers for the **2018/19** income year are as follows:

Taxable Income threshold	Tax payable[1]
0 – $18,200	Nil
$18,201 – $37,000	19% of excess over $18,200
$37,001 – $90,000	$3,572 + 32.5% of excess over $37,000
$90,001 – $180,000	$20,797 + 37% of excess over $90,000
$180,001 and over	$54,097 + 45% of excess over $180,000

1. *The Medicare levy of 2% generally applies in addition to these rates.*

Common claims made by individuals

The following outlines common types of deductible expenses claimed by individual taxpayers, such as employees and rental property owners, plus some strategies that can be adopted to increase deductions for the 2018/19 income year.

1. Depreciable plant, etc, costing $300 or less

Salary and wage earners and rental property owners will generally be entitled to an immediate deduction if certain income-producing assets costing $300 or less are purchased before 1 July 2019.

Some purchases you may consider include:

- books and trade journals;
- briefcases/luggage or suitcases;
- calculators or electronic organisers;
- electronic tablets;
- software;
- stationery; and
- tools of trade.

2. Clothing expenses

Purchase or pay for work-related clothing expenses prior to the end of the income year, such as:

- ❑ compulsory (or non-compulsory and registered) uniforms, and occupation specific and protective clothing;
- ❑ other expenses associated with such work-related clothing, such as dry cleaning, laundry and repair expenses.

3. Self education expenses

Consider prepaying the following self education items before the end of the income year:

- ◆ course fees (but not HECS-HELP fees), student union fees, and tutorial fees; and
- ◆ interest on borrowings used to pay for any deductible self education expenses.

Also bring forward purchases of stationery and text books (i.e., those which are not required to be depreciated).

4. Other work-related expenses

Employees can prepay any of the following expenses prior to 1 July 2019:

- union fees;
- subscriptions to trade, professional or business associations;
- magazine and professional journal subscriptions;
- seminars and conferences; and
- income protection insurance (excluding death and total/permanent disability).

Note: When prepaying any of the expenses above before 1 July 2019, ensure that any services being paid for are to be provided within a 12 month period that ends before 1 July 2020. Otherwise, the deductions must generally be claimed proportionately over the period of the prepayment.

Information Required

We will need you to bring information to assist us in preparing your income tax return.

Please check the following and bring along any relevant statements, accounts, receipts, etc., to help us prepare your return.

Income/Receipts:

- ❑ payment summaries for salary and wages (if provided by your employer(s));
- ❑ lump sum and termination payments;
- ❑ government pensions and allowances;
- ❑ other pensions and/or annuities;
- ❑ allowances (e.g., entertainment, car, tools);
- ❑ interest, rent and dividends;
- ❑ distributions from partnerships or trusts; and
- ❑ details of any assets sold that were either used for income-earning purposes or which may be liable for capital gains tax ('CGT').

Expenses/Deductions (in addition to those mentioned above):

- ◆ award transport allowance claims;
- ◆ bank charges on income-earning accounts (e.g., term deposits);
- ◆ bridge/road tolls (travelling on business);
- ◆ car parking (when travelling on business);
- ◆ conventions, conferences and seminars;
- ◆ depreciation of library, tools, business equipment (incl. portion of home computer);
- ◆ gifts or donations;
- ◆ home office running expenses:
  - cleaning
  - cooling and heating
  - depreciation of office furniture
  - lighting
  - telephone and internet;
- ◆ interest and dividend deductions:
  - account keeping fees
  - ongoing management fees
  - interest on borrowings to acquire shares
  - advice relating to *changing* investments (but *not* setting them up);
- ◆ interest on loans to purchase equipment or income-earning investments;
- ◆ motor vehicle expenses (business/work related);
- ◆ overtime meal expenses;
- ◆ rental property expenses – including:
  - advertising expenses
  - council/water rates
  - insurance
  - interest
  - land tax
  - legal expenses/management fees
  - genuine repairs and maintenance
  - telephone expenses
- ◆ superannuation contributions;
- ◆ sun protection items;
- ◆ tax agent fees;
- ◆ telephone expenses (business); and
- ◆ tools of trade.