

2023 Tax Return Checklist



MODORAS
Financial Performance Solutions

for every facet of your financial life

IMPORTANT NOTICE

The ATO will no longer be issuing refunds by cheque. All refunds will be required to be paid directly into a bank account. Please bring along your bank account details to ensure that there are no delays with the payment of your refund.

If your name has changed since your last return you will need to provide the ATO with proof of any name changes directly, as we are unable to action on your behalf.

INFORMATION YOU NEED TO BRING

We may not be able to complete your tax return without the following:

Your bank account details.

Spouse income details (if applicable).

Amount of Child Support paid (if applicable).

Tax File Number (of new client)

INCOME

Foreign income (including pensions)

Lump sum super and termination payments (you will need **all paperwork** that came with these payments)

Allowances (eg. travel) and bonuses

Bank interest, Rent, Commissions etc

Dividends (including amounts reinvested)

Distributions from partnerships or trusts (eg. Investments in managed funds)

Sale of an investment - property, shares, cryptocurrency & demergers. Details of any assets sold that were either used for income-earning purposes or which may be liable for capital gains tax ('CGT'). You will need details relating to:

- Purchase and sale Contract
- Purchase and Sale Settlement Statement
- Legal fees
- Stamp Duty
- Agent commission for the sale of assets.
- Any other expenses paid for the purchase or sale of assets.

Small business income (excluding HOBBY business)

Income received from an Income Protection policy

DEDUCTIONS AND WORK RELATED EXPENSES

Claims for expenses incurred in deriving salary/wages are "work related expenses". Examples of possible deductions:

Income Protection insurance premiums

Award allowance claims

Mobiles phones etc used for work purposes

Bridge/road tolls and parking fees for travel on work

Conference/seminar/training expenses

Contributions to personal superannuation for yourself and/or spouse (Conditions apply, please discuss with your accountant)

COVID testing expenses, taken to attend a place of work. (Both RAT and PCR tests apply).

Depreciation of computers, software, tools, reference books etc used for work – you will need to know purchase price and date.

Gifts and donations. To charities and school building funds etc.

Home office expenses e.g. phone and internet.

Interest on loans – for investments or work equipment

Motor vehicle expenses (see below)

Overtime meal allowances

PPE Equipment (includes face masks/shields, sanitiser, hard hats, safety glasses etc).

Self education expenses for study relating to current employment

Stationery, briefcases, calculators etc

Sun protection for outdoor workers

Tax agent/accountant fees

Technical/professional publications

Tools of trade

Union fees, subscriptions, membership fees etc

Uniforms (logos or registered)/protective clothing and laundering of these items)

Deductions related to interest and dividend income

Unsure of something? Bring it along and we will advise

RENTAL PROPERTIES

If you own a rental property you need to declare the gross income earned, however you are allowed to claim any expenses incurred in relation to the ownership of the property while it is available for rental. Examples of possible deductions:

- Agents fees and commissions
- Advertising costs for tenants (not for sale of property)
- Bank fees and charges
- Body corporate charges
- Depreciable items purchased/disposed (you need to know purchase and disposal details. There are significant changes to depreciation please discuss these with your accountant)
- Insurances
- Interest expense and borrowing costs
- Land taxes
- Pest control, garden maintenance etc
- Rates including water
- Repairs and maintenance
- Telephone calls
- Capital works deduction for constructions costs, extensions and renovations

MOTOR VEHICLE EXPENSES

Up to 5000kms can be claimed on a cents per km basis. It is a flat rate claim of \$0.78 per kilometre. Under this method no receipts are required; it is a reasonable estimate only. The other claim is the logbook method. A logbook must be kept for a minimum 12 week period to determine business usage of the vehicle along with records to substantiate the running expenses, including loan/lease documents.

RECEIPTS

In most cases you will be required to keep original receipts to substantiate claims. These must be retained for 5 years, from date of assessment of your tax return, not from date of expense. Generally, **NO RECEIPT = NO CLAIM.**

TAX OFFSETS

There are a number of rebates you may be eligible for depending on your circumstances. If you answer YES to any of the following questions you will need to bring the necessary information with you to complete your return. In some cases you will also need to know your spouse's and/or dependent's incomes.

Did you make contributions to a superannuation fund on behalf of your spouse?

Are you a Senior Australian?

SMALL BUSINESS/SOLE TRADERS

If you are in small business, you need to declare all your income, but can claim any expenses incurred in earning that income as deductions.

If you are registered for GST then you only need to include the "net of GST" amounts in income and expenses. Examples of possible deductions:

- Accounting fees
- Advertising costs
- Bank charges
- Cleaning costs, rubbish removal etc
- Commissions
- Computer consumables
- Courier/delivery charges
- Depreciation (need to know purchase dates and prices)
- Electricity
- Equipment hire etc
- Home office
- Insurances (excluding Life)
- Interest
- Materials and supplies
- Motor vehicle expenses – fuel, rego, ins, interest, repairs/maintenance, depreciation, lease pmnts, etc
- Permits and licence fees
- Postage, printing and stationery
- Repairs and maintenance
- Replacement tools, equipment etc
- Staff amenities, training etc
- Subscriptions
- Superannuation
- Telephone
- Wages
- Workcover

Be aware that losses made in small business can only be offset against other income if certain conditions are met; otherwise the loss is carried forward to future years when a profit in the business is made. The Tax Office will not allow deductions for "hobbies".

GENERAL TIPS

To make the task of getting your tax done, less stressful, here are a few simple things to keep in mind.

- » Generally, No receipt = No Claim. Remember to keep receipts for all expenses you incur in earning your income. No matter how small the amount. If you cannot obtain a receipt, prepare credit card or bank statements for evidence of the purchase.
- » Capital gains tax calculations can be complex. You need to keep all details of costs relating to the purchase and disposal of any type of investment and bring these along when doing your return.
- » If you earn under \$18,200 you may not need to lodge an income tax return, however you should give us a call to confirm your situation. If so, we will notify the Tax Office with a Non Lodgment advice.
- » Don't forget the small stuff. A \$10 donation to a charity or a \$5 stationery item might not seem like much at the time, but each of these small purchases across twelve months can add up.
- » To avoid the Medicare Levy Surcharge, high-income earners should take out hospital cover via their private health insurance for the entire year. Insurance held for part of the year will result in a prorated surcharge being applied.
- » There are many important tax benefits associated with investing in super. But to make the most of these benefits you need to understand the different types of super contributions, and be aware of the limits (referred to as 'caps') that exist on how much you can contribute to super tax-effectively each financial year to help with maximising your personal tax return.

CONSIDER YOUR 3 FINANCIAL GOALS:

Tax time is not solely about returns.

It's also about maximising opportunities for financial success.

And by aligning your tax plan to your long-term financial goals, you are much more likely to achieve them.

Which is why we're inviting you to consider your top 3 financial goals. What do you *want to achieve*?

- » Paying your home off sooner
- » Creating long-term financial security, or
- » Retiring early with a comfortable lifestyle

No dream is too big. Please share these goals so we can help you *achieve your* financial success.

**To book an appointment please call
1300 888 803**