LMH ACCOUNTANTS

Accounting - Income Tax - GST - Business Advice

Engagement of LMH Accountants as your Tax Agent for Individual Return

Thank you for the opportunity to assist you in preparing your Individual Income Tax Return for the year ended 30th June 2026. This document sets out the terms of my engagement with you. As your Tax Agent I will:

(a) analyse, discuss and make recommendations regarding your Individual Tax return; and
(b) prepare and lodge your tax returns for the year ended 30th June 2026.

In addition to the basic financial information required to complete these tax returns, it is expected that the source documentation will be made available, if requested. You are responsible for ensuring you comply with the substantiation provisions of the Income Tax Assessment Act. I will not be responsible for any errors brought about by your failure to provide accurate information or documentation or your failure to provide material that is later found to be relevant to your tax affairs. You are responsible for the timely provision of information and I will not be responsible for any late lodgement or other fees and fines brought about by your failure act in a timely manner. Any estimate of a refund you may be owed is only an estimate and I am not responsible nor will I accept liability if the Australian Taxation Office determines your liability to be different than that lodged by me.

Professional Fees and Payments

I charge a **minimum** fee of $175.00 (including GST) for the preparation and lodgement of basic income tax returns. Should you require an estimate of your fee, please contact me as it is difficult to provide an accurate estimate without reviewing your individual circumstances.

Terms of Payment

Unless other terms have been agreed, payment must be received before any returns will be lodged with the Australian Taxation Office.

Deduction of Fees from refund

If requested, fees for the service provided can be deducted directly from any tax refund. In accordance with the requirements of the Institute of Public Accountants, your refund will be deposited into LMH Accountants Trust Account with the fee deducted and the balance forwarded to you as agreed. An additional fee of $20.00 will be incurred should you wish to pay your account using this method.

Previous Returns

I am not engaged to review the accuracy of any previous returns lodged by yourself or a previous Tax Agent.

Client's disclosure and record keeping obligations

You are required by law to keep full and accurate records relating to your tax affairs. It is your obligation to provide me with all information that would be reasonably expected/will be necessary to allow me to perform work contemplated under the engagement within a timely manner or as requested. This includes providing accurate and complete responses to questions asked of the client by the practitioner. Inaccurate, incomplete or late information could have a material effect on services and/or conclusions. The Taxation Administration Act 1953 now contains specific provisions that may provide you with "safe harbour" from administrative penalties for incorrect or late lodgement of returns. These safe harbour provisions will only be available to you if, amongst other things, you provide "all relevant taxation information" to me in a timely manner (the safe harbour provisions apply from 1 March 2010). Accordingly, it is to your advantage that all relevant information is disclosed to us/me as any failure by you to provide this information may affect your ability to rely on the "safe harbour" provisions and will be taken into account in determining the extent to which tax practitioners have discharged their obligations to clients. It is your responsibility to show that you have brought all matters to my attention if you want to take advantage of the safe harbours created under new regime.

I understand that all sources of income need to be provided at the time of preparing my return, including income that may be tax exempt or not assessable as this may affect other tax calculations. I understand that LMH Accountants does not retain original records provided by me on file and all documents provided will be returned to me before lodgement. I accept responsibility for filing and safekeeping of these records for the required period of time (generally 5 years from lodgement). LMH Accountants advises that, unless you request us to in writing, we do not review your personal spending or living expenses and make no comment or judgement in relation to these. LMH Accountants also advises that we do not conduct an audit of your tax return unless you request us to in writing. As such, all information provided by you is assumed to be true and correct. You may be required to provide

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evidence of amounts reported in your tax return to the ATO. Should this occur we accept no responsibility if the information you have previously supplied to us is incorrect, misleading or unable to be substantiated by you. LMH Accountants is not responsible for any audit or investigation adjustments, interest and/or penalties imposed by the ATO that are not a result of error or omission on our behalf.

Client's rights and obligations under the taxation laws

Taxpayers have certain rights under Australian taxation laws, including the right to seek a private ruling from the Australian Taxation Office (ATO) or to appeal or object against a decision made by the Commissioner. Taxpayers also have certain obligations under Australian taxation laws, such as the obligation to keep proper records and the obligation to lodge returns by the due date. We/I must keep you informed of any specific rights and obligations that may arise under Australian taxation laws.

Tax Practitioners obligation to comply with the law

I have a duty to act in our client's best interests. However, the duty to act in our client's best interests is subject to an overriding obligation to comply with the law, even if that may require me to act in a manner that may be contrary to your directions. For example, I could not lodge an income tax return that I believe to be false in a material respect.

Quality Review

As a member of the Institute of Public Accountants, as Principal I am subject to periodic Professional Practice Quality Assurance reviews. Unless otherwise advised, you are consenting to your files being part of such a quality review. This review is of our client records and not of you as a client and you have full assurances that complete confidentiality will be maintained throughout.

Provision of Advice

As noted above, you are more than welcome to contact me for my professional opinion or advice on business, accounting and taxation matters. This will only be general advice. Advice specific to your situation can only be given if you provide me with full and correct information relating to the circumstances. I cannot be held responsible if you fail to provide me with this information.

Lisa Marie Hausler
Principal

Want to send us your tax return details online? Use the following QR Code:

INDIVIDUAL SUBSTANTIATION DECLARATION & PRE FILLING WARNING

The ATO has made it very clear that they will be scrutinising claims for work related expenses again this year. It is important that you understand the need to have receipts, diaries, logbooks to support your claims. You must remember to apportion any expenses that may be both private and work related in nature, such as mobile phone and computer expenses. A general rule of thumb is to keep a 12 week record of such expenses that is itemised to show how you have calculated the work related component. For more information or specific questions please ask us.

I declare that all information has been provided to LMH Accountants for the purpose of preparing my income tax return for the Year Ended 30th June 2026, and this information is true and correct to the best of my knowledge. I further declare that I am aware of and understand the substantiation and record keeping requirements of the ATO in regards to my income and expenses in particular:

- Accurate records for all income, including cash receipts, payment summaries & insurance proceeds.
- Tax invoices and receipts for all expenses and deductions.
- Bank statements to support income and expenses[1].
- Motor vehicle log books and travel diaries[2].
- Copies of sale/purchase contracts, finance/lease documents and tax invoices for all asset purchases and sales[3].

In order to prepare your return, we download records that are available to us from the ATO (Pre-filling reports). Whilst the pre-filling report can be useful and serve to remind you of information you may forget to declare, we would like to take this opportunity to remind you that the **information provided in these reports may not always be complete at the time of lodging your return, and accordingly is not a substitute for you providing us with full and correct documentation.** The data contained in the pre-filling reports is only generated once it is submitted to the tax office by a third party, such as your bank or employer and as such there are often delays in the details becoming available. If your return is prepared and you forget to declare to us and/or the ATO income that is assessable, your return will be cross checked by the tax office and amended at a later date. If the amendment results in an amount you need to pay back to the ATO, they may charge backdated interest and/or penalties on the amount owing. The most common amendments we see are when clients forget to tell us about interest earned on bank accounts or additional PAYG Payment summaries, and whilst this is usually a genuine oversight, it is important to make sure you report all sources of income correctly when we prepare your tax return to avoid any unexpected surprises at a later date.

Firm Acknowledgement and Confirmation

Staff Signature: 

Staff Name: LISA HAUSLER

Client Acknowledgement and Confirmation

I hereby acknowledge and accept the terms of this engagement as have been provided. I shall be personally liable for all fees for services performed in accordance with such agreement.

[1] Bank statements do not mitigate the requirement for keeping receipts, if you provide bank statements to us to prepare your return you are also warranting that you have a tax invoice for the relevant transactions.

[2] Please ensure you understand which journeys are considered tax deductible by reading https://www.ato.gov.au/individuals-and-families/income-deductions-offsets-and-records/deductions-you-can-claim/cars-transport-and-travel

[3] You must provide us with a copy of tax invoices & finance documents for asset purchases.

2026 INDIVIDUAL TAX RETURN CHECKLIST – WHAT WE NEED TO KNOW

Below is a checklist to guide you in reviewing and compiling the information for us to prepare your tax return. It is a good opportunity for you to review your records to make sure you provide us with all the relevant information we require. Please be aware that this list is not exhaustive and you may wish to provide, or we may request, additional documents or records.

GENERAL INFORMATION

Existing clients, please ***only supply general details if they have changed*** *since your last tax return was prepared*

- ☐Tax File Number
- ☐Full name
- ☐Home address
- ☐Postal address
- ☐Date of birth
- ☐Mobile phone
- ☐E-Mail address
- ☐Bank Details for any tax refunds
- ☐Occupation
- ☐Residency for Tax (Australian, Foreign, Working Holiday Maker)
- ☐Spouse's name, date of birth & taxable income
- ☐Number of dependent children

*New Clients – we must sight photo identification (drivers license, passport etc.)

INCOME

☐Salary & wages

☐Allowances, directors fees, bonuses etc.

☐Employer lump sum payments

☐Employment termination payments

☐Australian Government allowances & payments & pensions

☐Australian annuities & superannuation income streams/lump sums

☐Australian Government grants, subsidies or other payments

☐Attributed personal services income

☐Interest earned from bank accounts & investments

☐Dividends received or reinvested

☐Employee share schemes

☐Distributions from partnerships or trusts

☐Income & expenses from operating under an ABN (sole trader)

☐Farm management deposits or withdrawals

☐Capital gains or losses such as:

- Selling a property
- Selling shares
- Selling cryptocurrency, NFT's or other digital assets
- Selling any other investments
- Note! Capital gains need to be reported when the contract is signed, not when settlement occurs.

☐Foreign income

☐Rental property income & expenses

☐Bonuses from life insurance companies

☐Forestry managed investment scheme income

☐Income from insurance payouts

☐Other income

DEDUCTIONS

☐ Work related car expenses

Cents per km method or Logbook method

Please provide either:

- No of km's travelled for work purposes; OR
- What % of your vehicle is work related based on your logbook AND
  - Fuel Costs
  - Insurance & Registration Costs
  - Repair & Maintenance Costs
  - Purchase invoice & finance documents for your vehicle

☐ Work related overnight travel expenses

☐ Work related uniforms & clothing expenses

☐ Work related self education expenses

☐ Other work related expenses including what % of these is work related:

- Seminars & courses
- Home office expenses (running expenses and/or number of hours worked)
- Computers & software
- Phone & internet
- Tools & equipment
- Subscriptions, union fees or professional fees
- Depreciation (we will calculate the correct amount to claim)

☐ Investment expenses

☐ Donations

☐ Accountancy and tax agent expenses

☐ UPP (for foreign pensions or annuities)

☐ Personal superannuation contributions

You must have completed and provided your fund with a notice of intention to claim a tax deduction

☐ Income protection insurance

☐ Forestry management investment scheme deductions

OTHER INFORMATION

☐ Number of days you lived in a remote area

☐ Private health insurance statement

Detailed Terms and Conditions

These Terms and Conditions (T&Cs) are to be read in conjunction with the above engagement letter with you. They apply to all services that we perform for you (“the Services”). Together, our engagement letter and these T&Cs are called “this Agreement”. If the two documents are inconsistent, the terms in the engagement letter overrule these T&Cs. This Agreement constitutes the entire agreement between us with respect to our work under this agreement and supersedes all prior agreements, proposals, oral and written representations and negotiations.

1. Events Required to be Disclosed

In accordance with the Tax Agent Services (Code of Professional Conduct) Determination 2024 (the Determination), I advise you that there are no events which have occurred within the last 5 years which require disclosure.

2. TPB Register and Complaints Process

The TPB maintains a register of tax agents and BAS agents (tax practitioners) and this register can be accessed and searched at https://www.tpb.gov.au/public-register. The TPB’s register confirms that I am a registered tax practitioner with no conditions imposed on my registration..

All complaints should be raised with me at first instance with the view that your concerns can be resolved amicably between us. In the event that your concerns cannot be satisfactorily resolved, you may wish to raise a complaint with the IPA and/or the TPB:

- IPA’s complaints process can be accessed at https://www.publicaccountants.org.au/about/complaint-investigation/complaints-about-an-ipa-member.
- The TPB’s complaints process can be accessed at https://www.tpb.gov.au/complaints.

Further information is contained in an Information for Clients document on the TPB’s website: https://www.tpb.gov.au/sites/default/files/2024-10/Information%20for%20clients%20factsheet.pdf.

3. Objective and Scope of the Engagement

We will provide tax services to you as described in our engagement letter.

You have given us authority to use the Australian Taxation Office (ATO)’s online portal for tax agents for the purpose of managing and meeting your taxation obligations.

Please be aware that I will not conduct an audit or review as a service to be performed for you and accordingly, no assurance will be expressed. Unless specified in our engagement letter as a service to be performed for you, our engagement cannot be relied upon to disclose irregularities including fraud, other illegal acts and errors that may occur. However, I will inform you of such matters if they come to my attention.

I will perform the services agreed in accordance with professional and ethical standards including APES 220 Taxation Services. These standards require that, in undertaking this engagement, I comply with relevant ethical requirements of APES 110 Code of Ethics for Professional Accountants (including Independence Standards) and the Tax Agents Services Act 2009.

Independence and conflicts of interest

We have procedures in place to periodically assess our independence assigned to our engagement. We will notify you in a timely manner should we become aware of any conflict of interest or independence issues.

If during the engagement you become aware of any conflict of interest or potential conflict of interest or there is a change of circumstances which may result in a conflict, you must advise us.

Events that may give rise to a conflict of interest or potential conflicts of interest include:

- Events affecting you, such as deaths, matrimonial disputes as well as litigation (threatened or actual).
- Changes to the structure of your business or your business relationships.
- Offering an employment opportunity to a current or former employee of my practice.

Confidentiality

We will conduct this engagement in accordance with professional and ethical standards issued by the APESB. The information acquired from you for our engagement is subject to strict confidentiality requirements and will not be disclosed by us to other parties except as required by law or professional and ethical standards, unless we have your written consent.

NOCLAR obligations

Pursuant to the Responding to Non-Compliance with Laws and Regulations (NOCLAR) requirements of APES 110, I am required to report any non-compliance with laws and regulations or acts of omission or commission, intentional or unintentional by a client or by those charged with governance, by management or by other individuals working for or under the direction of a client which are contrary to the prevailing laws or regulations.

4. My Obligation to Comply with the Law

I have a professional duty to act in your best interests. However, my duty to act in your best interests is subject to an overriding obligation to comply with the law, even if that may require me to act in a manner that may be contrary to your directions. For example, I cannot lodge an income tax return that I believe to be false in a material respect. Further, where a statement lodged with the ATO contains a false or misleading statement, the Determination requires me to, in certain circumstances, take particular actions which may include one or more of:

- advising you that the statement should be corrected;
- withdrawing from our engagement and professional relationship with you;
- notifying the ATO that I am not reasonably satisfied that our advice to correct the statement was acted upon; or
- taking further action in the public interest.

5. Your Rights and Obligations Under the Taxation Laws

Taxpayers have certain rights under taxation laws, including the right to seek a private ruling from the ATO or to appeal or object against a decision made by the Commissioner. Taxpayers also have certain obligations under Australian taxation laws, such as the obligation to keep proper records and the obligation to lodge returns by the due date. I must keep you informed of any specific rights and obligations that may arise under Australian taxation laws. Further, I must keep you informed of my rights, responsibilities and obligations as a tax practitioner.

Further information is contained in an Information for Clients document on the TPB's website: https://www.tpb.gov.au/sites/default/files/2024-10/Information%20for%20clients%20factsheet.pdf.

6. Your Responsibilities

It is important to remember you are personally responsible for the information contained in any statutory form, return or schedule. Before documentation is lodged on your behalf, drafts will be forwarded for your review and approval. Documentation will be lodged with the relevant departments/authorities by the due date(s), provided all necessary information and documentation is received by the agreed date(s). If you are late in providing information, best efforts will be made to meet lodgment due dates. However, no responsibility will be accepted for any late lodgment penalties incurred.

Your disclosure and record-keeping obligations

You are required by law to keep full and accurate records relating to your tax affairs. It is your obligation to provide me with all information that is reasonably expected as necessary to allow me to perform work contemplated under this engagement within a timely manner or as requested. This includes providing accurate and complete responses to questions asked. Inaccurate, incomplete or late information could have a material effect on services provided and/or conclusions reached.

I need not verify the underlying accuracy or completeness of information from you if it appears reasonable. However, if I believe information is missing, incorrect or misleading, I will need to seek further assurance from you.

The Taxation Administration Act 1953 contains specific provisions that may provide you with “safe harbour” protection from administrative penalties for incorrect or late lodgment of returns. These safe harbour provisions will only be available to you if, amongst other things, you provide “all relevant taxation information” to me in a timely manner. Accordingly, it is to your advantage that all relevant information is disclosed to me, as any failure by you to provide this information may affect your ability to rely on the “safe harbour” provisions and will be taken into account in determining your liability to an administrative penalty. It is your responsibility to show that you have brought all matters to my attention if you want to take advantage of this legislative safe harbour.

7. Previous Tax Returns

It is noted that <we are/I am> not engaged to review the accuracy of previous tax returns lodged by you or another tax practitioner. Where relevant, you have warranted that reliance can be placed on financial statements and other financial records presented by you for this purpose.

8. Engagement Output

There is no assumption of responsibility for any reliance on my correspondence, advice, draft documents or financial statements by any person or entity other than you. These documents shall not be inferred or used for any purpose other than for which it was specifically prepared. Accordingly, we disclaim any liability to the full extent permitted by law.

9. Engagement Period

The engagement period commences on the date you acknowledge and confirm acceptance of our terms of engagement and will continue until completion of the scope of tax services for the 2025-26 financial year or where this engagement is revoked by you or me.

10. Professional Fees and Terms of Payment

Professional fees and terms of payment are set out in our engagement letter.

11. Ownership of Documents

The final documents which I am specifically engaged to prepare, together with any other original documents given to me, shall remain your property. Documents brought into existence by me including working papers & meeting notes, remain my property at all times. However, I will provide you with copies of any documents you require from time to time as required by law.

12. Quality Review

As a member of the Institute of Public Accountants (IPA), I am subject to the IPA’s Quality Review Program (QRP) mandated by the International Federation of Accountants (IFAC). QRP reviews assess member compliance with the professional and ethical standards and by accepting our engagement you acknowledge that, if requested by the IPA, files relating to this engagement may be made available for QRP review. Unless otherwise advised, you are consenting to your files being part of a QRP review.

13. Professional Standards Scheme

As a member of the IPA, I am part of the IPA Professional Standards Scheme and my liability is limited by a Scheme approved under Professional Standards Legislation. For more information on the IPA Professional Standards Scheme or Professional Standards Schemes generally, please refer to: www.psc.gov.au.

14. Privacy

I understand the importance of protecting the privacy of your personal information. In handling personal information, I comply with the Privacy Act 1988 (Cth) (Privacy Act), as amended from time to time, and with the 13 Australian Privacy Principles in the Privacy Act and other applicable privacy-related legislation.

I collect, use, disclose and store your personal information in accordance with my privacy policy, a copy of which can be found on my website or otherwise made available to you upon request.

I may collect your personal information directly from you or your authorised representatives, from third parties where you have provided your consent, or where the collection of your personal information is permitted by law.

The types of personal information I collect includes general identification information such as names, occupation, and date of birth, contact details such as address, email address, and mobile phone number, government-issued identification numbers such as tax file numbers, financial information, and information regarding your superannuation and/or insurance arrangements.

Generally, I collect, use and disclose your personal information for the purposes of providing you with advisory, taxation & accounting services.

If you do not provide your personal information to me, this may affect my ability to assist you.

I may also use your personal information for the purpose of providing marketing information to you. Please let me know if you do not want this information to be sent to you.

Any disclosure is always on a confidential basis. I may also disclose your personal information if required or authorised by law.

If you would like to access, or seek correction of, the personal information I collect and hold about you, or otherwise enquire or complain about our approach to privacy, please contact my privacy compliance officer on 07 5525 2131 or at admin@lmhaccountants.com.au. My privacy policy contains further information about these processes.

Right to Vary Standard Terms and Conditions

These terms and conditions can be varied or amended in writing from time to time without notice. A current copy of these terms and conditions is available from our website at www.lmhaccountants.com.au.

Australian Government
Australian Taxation Office

Keeping records for work-related expenses

If you claim a deduction for work-related expenses, you must have written evidence of those expenses. For some expenses you will also need records to show your work-related use and how you calculated your claim. Your deduction can be disallowed if you're not eligible or you don't keep the right records.

Written evidence is usually a receipt from the supplier of the goods or services that shows the:

- name of supplier
- amount of the expense or cost of the asset
- nature of goods or services
- date of payment
- date of the document.

A bank or credit card statement that doesn't include all of this information is not acceptable written evidence on its own.

You can keep electronic records, including photos of your receipts.

The myDeductions tool in the ATO app is a record-keeping tool you can use to keep track of your records electronically. Download the free app now.

How long to keep your records?

You need to keep your records (including written evidence) for 5 years from the date you lodge your tax return.

If you claim the decline in value of a depreciating asset that you use for work, keep written evidence and records for 5 years from the date of your last claim for the decline in value.

Record keeping exceptions

Record keeping exceptions are available to make things simpler – they don't allow you to claim an automatic deduction.

In some circumstances you may not need written evidence, but you will still need to show you spent the money and how you calculated your claim.

Commissioner's discretion to review failure to keep records

If you haven't got written evidence from a supplier, the Commissioner may allow you to claim a deduction, if the nature and quality of the evidence you provide shows that:

- you spent the money (and weren't reimbursed)
- the expense is deductible and you're eligible to claim a deduction.

Evidence can include bank or credit card statements that show the amount that was paid, when and who it was paid to, as long as you write the nature of the goods or services provided on your statement.

If you pay a supplier in cash and have no other documents to support your claim, you will not have sufficient evidence to claim a deduction.

Specific record keeping rules for work-related expenses

Car expenses

If you're eligible to claim car expenses, the type of records you need to keep depends on whether you use the cents per kilometre method or logbook method to calculate your claim.

These methods are for work-related car expenses for your own car.

You may need to keep different (or additional) records if your car expense claim is for:

- transporting bulky tools or equipment
- a borrowed car
- a vehicle other than a car (for example, a motorcycle, ute, or minibus).

Method 1: Cents per kilometre

If you use the cents per kilometre method, your claim is based on a set rate per kilometre. You:

- can claim a maximum of 5,000 km for work-related use, per year, per car
- don't need receipts for your expenses (for example, fuel receipts)
- need a record to show how you calculate your work-related kilometres (for example, using a diary or the myDeductions tool in the ATO app)
- need to be able to show that you own the car.

Method 2: Logbook

You claim the work-related use of your car expenses by keeping a valid logbook.

Your logbook must cover a continuous 12-week period that represents your travel throughout the year and show:

- your work-related journeys, by recording the date and the odometer readings when you start and end each journey, the total kilometres travelled and the purpose of each journey
- the date and odometer readings when the 12-week logbook period started and finished
- the total kilometres travelled during the logbook period, as well as the total kilometres that were work-related during logbook period.

In addition, you must also keep opening and closing odometer records for every income year that you rely on your logbook. Generally, this will be the odometer reading on the first day of the income year (1 July) and last day of the income year (30 June). If you sell the car during the year, the closing odometer reading will be the reading at the date of sale.

If the work use percentage of your car based on your logbook no longer represents your pattern of work-related travel, you need to complete a new logbook.

Your logbook is valid for 5 years, but you can start a new logbook at any time.

You can claim fuel and oil costs based on your actual receipts, or you can estimate the expenses. Base the estimate on odometer readings from the start and the end of the income year (or purchase or sale date) in which you owned or leased the car during the year and the average price of fuel over the income year.

You must also keep:

- written evidence for all car expenses, including the original purchase
- details of how you calculated your claim for decline in value of your car, including the effective life and method used.

Electric vehicles

If your car is electric (zero emissions) or a plug-in hybrid electric vehicle (PHEV), instead of keeping receipts for fuel and oil, you must keep:

- receipts from commercial charging stations
- evidence that shows you incurred electricity costs to charge your car at home, such as your electricity bills and how you calculated your home charging expenses including the average units of power used per hour and the total annual hours your car was charged.

Alternatively, if your car is an electric (zero emissions) car or PHEV, you can choose to use the electric vehicle (EV) home charging rate.

For more information, go to ato.gov.au/carexpenses

Clothing, laundry, and dry-cleaning expenses

Clothing

If you're eligible to claim a work-related clothing deduction, you must keep written evidence. You can only claim clothing that is occupation-specific, protective, a compulsory uniform, or non-compulsory uniform your employer has registered on the Register of Approved Occupational Clothing.

Laundry

If your claim for laundering (washing and ironing) deductible clothing is less than $150, you don't have to keep written evidence. However, you must keep details of how you calculated your claim.

Dry-cleaning

Dry-cleaning isn't included in the $150 exception for laundry expenses. Keep all written evidence for dry-cleaning your eligible work-related clothing.

For more information, go to ato.gov.au/clothingandlaundry

Self-education expenses

If you're eligible to claim a work-related self-education deduction, keep written records for all your self-education expenses. This may include course fees, textbooks, stationery, computers or laptops and travel expenses.

You also need to be able to explain how the course directly relates to your employment at the time of study.

If you are claiming a deduction for a depreciating asset (for example, a laptop), you must keep written evidence and records of how you work out the decline in value.

For more information, go to ato.gov.au/selfeducation

Depreciating assets

Some items, like a car or computer, have a limited effective life and decline in value (depreciate) over time.

How you treat and work out your claim will depend on if the item:

- costs $300 or less
- costs more than $300
- forms part of a set that together costs more than $300
- is identical, or substantially identical, to other items purchased that together cost more than $300.

$300 or less

If the item cost $300 or less, and you use it only for work-related purposes, you can claim an immediate deduction for its cost in the year you buy it.

If you use the item for private purposes, you must reduce your deduction to take that private use into account.

More than $300

If the item cost more than $300, you can claim a deduction for the decline in value over the effective life of the item (or items).

The records you must keep include:

- written evidence from the supplier which shows the name of the supplier, the cost and a description of the asset, the date of payment and date of the document
- when you started using the item for a work-related purpose
- how you work out your percentage of work-related use, such as a diary that shows the purpose of and use of the item for work
- how you chose to work out the decline in value, by
  - using a copy of the Commissioner of Taxation's determination of effective life
  - working out the item's effective life yourself, if you don't use the Commissioner's determination.

To help you work out your claim and decline in value for a depreciating asset, use our Depreciation and capital allowances tool.

For more information, go to ato.gov.au/depreciationtool

Working from home

If you're eligible to claim running expenses as a result of working from home, the records you need to keep depend on the method you use to work out your claim.

Method 1: Fixed rate method

If you are using the fixed rate method, you need to keep records of the total number of hours you spent working at home for the entire income year. An estimate of your hours won't be accepted.

You must also keep records:

- for the expenses covered by the fixed rate method that you incurred – for example, if you use phone and electricity when you work from home, keep one bill for each of these expenses
- for items or expenses you can claim as a separate deduction, that is, expenses not covered by the rate per hour
- that show how you calculate your work-related use of those items, or work-related portion of the expenses.

Method 2: Actual cost method

If you are claiming the actual costs you incur as a result of working from home, you need written evidence for every expense you claim.

You must keep records:

- for all additional running expenses (for example, stationery, electricity, and gas)
- for all depreciating assets
- that show how you calculate your work-related use of those items and the work-related portion of your running expenses.

For more information, go to ato.gov.au/home

Overnight travel expenses

There are specific record keeping requirements for overnight travel expenses, depending on:

- whether your travel allowance is shown on your income statement or payment summary
- whether your travel was domestic or overseas
- the length of your travel and your occupation.

Travel records you should keep include:

- a travel diary or itinerary if your travel was for 6 nights or more
- receipts for all meals, airfares, accommodation and incidental expenses
- an explanation of how the travel was work-related, the number of nights you slept away from home, and the location.

You may be able to rely on an exception from keeping records if:

- you receive a travel allowance that is expected to cover your accommodation, meals, and incidental expenses
- your travel allowance is shown on your income statement or payment summary
- the amount you spent on those particular expenses does not exceed the reasonable amounts.

Different rules apply depending on whether you travel domestically or overseas. There is also a specific exemption for overseas travel for airline crew.

For more information, go to ato.gov.au/overnighttravelexpenses

This is a general summary only

For more information, go to ato.gov.au/keepingtaxrecords or speak to a registered tax professional.

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Working from home deduction

To be eligible to claim a deduction for working from home expenses, you must:

- be working from home to fulfil your employment duties, not just completing minimal tasks
- incur additional running expenses as a result of working from home
- have records to show you incurred these expenses and the hours that you worked from home during the income year.

To work out your working from home deduction, you can use the fixed rate method or the actual cost method.

Remember, you can only claim the work-related part of an expense.

Fixed rate method

The fixed rate method allows you to claim a set rate per hour you work from home and covers expenses that are often difficult to apportion. This includes:

- data and internet
- mobile and home phone usage
- electricity and gas
- computer consumables (for example, printer ink)
- stationery.

You don't need a dedicated home office to use this method.

You can't claim a separate deduction for any of the expenses the fixed rate includes.

You can claim a separate deduction for:

- the decline in value of assets used while working from home, such as computers and office furniture
- the repairs and maintenance of these assets
- cleaning (if you have a dedicated home office).

Actual cost method

The actual cost method allows you to claim a deduction for the actual expenses you incur as a result of working from home.

This may include:

- data and internet
- mobile and home phone usage
- electricity and gas
- computer consumables (for example, printer ink)
- stationery
- the decline in value of assets used while working from home, such as computers and office furniture, as well as any maintenance and repairs of these items
- cleaning (if you have a dedicated home office).

The actual cost method requires detailed calculations and records. For example, you will need to know and have records of the cost per unit of electricity and average units used per hour. If you plan to use this method, see ato.gov.au/home

As an employee working from home, you generally can't claim for occupancy expenses, such as rent, insurance or mortgage interest.

Record keeping checklist

Check you have the correct records before claiming a working from home deduction. If you don't have records, don't claim the expense.

You can use the myDeductions tool in the ATO app to keep track of your expenses and receipts throughout the year.

Fixed rate

You will need the following records:

- [ ] A record of all the hours you work from home for the entire year (for example, timesheets, rosters, or a diary) – an estimate won't be accepted.
- [ ] Evidence for the expenses covered by the fixed rate method that you incurred (for example, if you use your phone and electricity when you work from home, keep one bill for each of these expenses).
- [ ] Records for any depreciating assets you claim as a separate deduction (for example, a computer or office furniture), including how you work out your work-related use.

Actual cost method

You will need the following records:

- [ ] A record that represents the hours you work from home (such as timesheets, rosters or diary showing at least a 4-week regular pattern of work)
- [ ] Evidence for every expense that you claim, including receipts, bills or invoices which show the supplier, amount of the expense, nature of the goods, date it was paid and date of the document.
- [ ] Evidence of your personal and work-related use of the items or services you buy and use.

In most cases, a bank or credit card statement on its own is not sufficient evidence of a work related expense.

Decline in value of assets and equipment (applies for both methods)

You will need records for depreciating assets, that show:

- [ ] the name of the supplier, amount of the item, nature of the goods, date it was paid and date of the document
- [ ] when you started using the item for a work-related purpose
- [ ] how you worked out your percentage of work-related use, such as a diary that shows the purpose of and use of the item for work
- [ ] either
  - a copy of the Commissioner's determination of effective life you use to work out the decline in value of the item
  - how you worked out the effective life if you didn't use the Commissioner's determination.
- [ ] which method you chose to work out the decline in value.

This is a general summary only
For more information, go to ato.gov.au/home or speak to a registered tax professional.

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