

# 2024 Tax Tips for Employees



Tax time can be stressful, especially if you are not well prepared. Here are some tax tips to help you be better prepared for your next tax season.

## 1. Keep receipts for all work-related expenses

If your total claim for work-related deduction exceeds \$300, you need to keep written evidence for all your expenses (not just for those in excess of \$300). Purchases of goods and services are usually evidenced by a Receipt or a Tax Invoice from the supplier.

## 2. Keep Logbook for Car Expenses

A logbook will help you work out the percentage of your work or business-related car use. You can claim that percentage of your total car expenses for the income year, including depreciation of the car cost and interest you paid on the car loan. You must keep a logbook for at least 12 consecutive weeks for the first year you are using this method. You need to keep a new logbook when your travel pattern changes or every 5 years. You also need to then keep all fuel, rego, repairs & maintenance, insurance, loan/interest documents and any other car related expenses you have incurred.

Keep in mind that selling your car, for which logbook method had been used to claim the expenses, involves balancing adjustment. You need to keep the purchase and sale documents as well as history of logbook claims for your accountant to be able to calculate the adjustments. A logbook will also confirm KMs travelled for work under the cents per km method as well. - Check out our Motor Vehicle Log Book Details Tips.

## 3. Keep Diary Records for the following:

### *Working from home*

If you work from home, you may be able to claim running expenses based on the ATO set rate of 67c per hour. You will need a detailed log which confirms the total hours worked from home. To take advantage of the actual cost method, you will need a record of the total hours logged that you worked from along with all expenses incurred and relevant invoices/receipts. Eg. Electricity & Gas Bill, Mobile phone plan, Internet Costs and other printing & stationery consumables. Check out our Home Office Expense Tips.

### *Work-related travel*

Travel diary will help you work out your actual work-related and private expense portions of your trip. If you travel away from home for six or more nights in a row, you need to keep a travel diary, unless you are receiving travel allowance to travel in Australia and your claim does not exceed the amounts allowed by the ATO.

#### 4. Use a card to pay for work-related expenses

While bank statements are not a substitution for proper receipts, they can help you track your work-related expenses. Knowing the details of expense, you can obtain a copy of the receipt from the supplier if the original receipt was lost.

#### 5. Keep details of Self Education Expenses

To claim self-education expenses for courses of education, you must be able to demonstrate that the course is sufficiently connected to your current work activity. The course must either maintain or improve the skills required in your current work or be likely to result in increased earnings in your current work.

Keep all the Tax Invoices for the course fees together with the details of the course to be able to easily prove the connection. Keep details of all the other expenses relating to your self-education. Any fees that are Commonwealth Supported and that can be deferred to HECS are not eligible for deduction including student contributions to amenity fees etc. Travel in certain circumstances is tax deductible and should be substantiated through written evidence. In some circumstances full fee paying (not commonwealth supported courses) that can be deferred to the HECS/HELP system can be deductible when incurred – eg.. Post Graduates / MBAs / Masters – as long as they are directly relevant to your current income.

#### *Minor work-related expenses <\$10 not exceeding \$100 in total*

Whether your total work-related expenses exceed \$300 or not, you do not need to keep receipts for those items and can get written evidence by making your own records, including date, details, cost and where you bought it from.

#### 6. Keep track of your Super

From 1 July 2018, employees are able to make Tax Deductible (Concessional) Personal Superannuation Contributions to a superfund of their choice to boost their super savings and benefit from concessional tax treatment in superfund environment. Concessional Super Contributions are capped at \$27,500 for the 2024 year and will increase to \$30,000 for the 2025 Financial Year.

Keep in mind that Super Guarantee, Salary Sacrifice and other amounts that your employer pays to your superfund on your behalf also count towards your Concessional Contribution Cap. You need to keep track of your employer's contributions to work out how much you can contribute to your super without breaching the \$27,500 cap.

From 1 July 2018, members with total superannuation balance of less than \$500,000 at 30 June of the Previous Financial Year, can make carry-forward concessional super contributions for the unutilised Concessional Caps. If you did not fully utilise the \$25,000 Cap in 2020, 2021, 2022 or 2023 Financial Year, you can make a "catch-up" contribution in 2024. You will need to complete an "Intention to claim a tax deduction" form and forward to your superfund for an Acknowledgement Letter for any super you are wanting to claim as a tax deduction. This can be very helpful with regards to possible Capital Gains Tax consequences or getting a better tax deduction (whilst rates are higher).

Contributions count when the payment is received by your Superfund, not when the payment is made. It is important to keep track of all contributions that you, your employer, or others make on your behalf to avoid exceeding the caps and paying extra tax.

**Self Assessment:** *Please note that Australian Taxpayers are subject to a self-assessment regime. This basically means that you are responsible for declaring all of your assessable income, and only claiming deductions and/or rebates to which you are entitled. The ATO is able to review your claims and increase or decrease the amount of tax payable for up to 2-4 years, and longer where tax avoidance is involved, after you lodge your tax return.*

**Disclaimer:** *All the information provided here is of general nature and does not constitute tax, legal or financial advice. It does not take into account your personal circumstances and is not intended to replace consultation with a qualified professional.*