

Tax Tips for Individuals 2022

Although your tax return is not due for a few months yet, the end of the financial year is nearing...have you captured all your work-related deductible expenses to make the most of your 2022 tax return?

Income

The Australian Taxation Office (ATO) automatically receives information from your employers about salary and wages that you have been paid for the financial year. You need to declare all income from other sources on your tax return as well.

- Wages and salaries from employment.
- Pensions, annuities or government payments such as JobKeeper.
- Investment income including interest earned and dividends paid.
- Cryptocurrency gains or losses.
- Business or hobby income.
- Foreign income.
- Crowdfunding income.
- Sharing economy income such as Uber or Airbnb.
- Any other income such as prize money, compensation or insurance payments.

Even if you have only earned a small amount from one of these sources, it still needs to be declared on the tax return. Gather all your records for anything you have earned apart from salary and wage payments from employers.

You will need:

- bank statements that show interest income;
- proof of earnings from other sources such as crowdfunding or share economy platforms;
- records of business or hobby income;

- records of government payments received;
- records from cryptocurrency wallets showing transactions and the balance of each currency at 30 June;
- and records of any other payments received from overseas sources, prize winnings, insurance or investments.

Tax Deductions

Employees are entitled to claim work-related expenses as a tax deduction. To claim a tax deduction, you must have spent the money out of your own funds and not have been reimbursed by your employer. The expenses must relate to your earnings as an employee. Make sure you have invoices and receipts as proof of payment for any work-related expenses.

Expenses you may be able to claim

- Vehicle and travel expenses – make sure you have a travel diary to record details of trips taken for your employment.
- Clothing, laundry and dry-cleaning expenses – you can claim for occupation specific clothing, uniforms and protective gear.
- Home office expenses – the [shortcut calculation](#) is still available this year for people who have worked from home due to COVID-19. This allows for a flat rate of 80 cents per hour for work time. You will need records of the hours you have worked from home to claim the ATO special rate. For people who usually work from home, check the [ATO home office expenses calculator](#) to maximise the allowable deduction.
- Self-education expenses – some education expenses that relate to your current employment are claimable.
- Tools and equipment – if you buy gear to help you in your job, these may be claimable. Small tools of trade, protective items, professional references and laptops are some examples of equipment you may be able to claim.

Occupation and Industry Specific Guidelines

The ATO recognises that some occupations and industries have specific requirements that employees need to pay for.

There are handy [ATO fact sheets](#) for many industries, including hairdressers, teachers, performing artists, hospitality workers, lawyers, medical professionals and more.

These guides are a great starting point if you are not sure what you can claim, but we can give you information tailored to your situation when you do your tax return.

Superannuation

If you have made personal superannuation contributions separate to your employer's superannuation guarantee contributions, you may be able to claim this as a tax deduction. You will need to provide a [notice of intent to claim form](#) to your super fund and receive acknowledgement from the fund before doing your tax return.

Contact our office on 08 6118 6111 or hello@prescottsolutions.com.au to book a time with us now to prepare for your tax return and we'll make sure you maximise your allowable tax deductions this year.