



BOX
ADVISORY
SERVICES

ELIGIBLE TAX DEDUCTIONS GUIDE

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ABOUT THIS GUIDE

Tax deductions can be a huge money saver if you know what they are, how they work and in what situation to utilise them. In this guide, we provide you a cheat sheet to get you thinking about what potential savings you can make on your business by simply harnessing the power of tax deductions.

The **biggest** misunderstanding of business expenses in relation to tax deductions is how much you potentially get back. As a business, you only receive the tax portion of your business expense back. This is usually 27.5% for the majority of businesses who are setup as company entities. Whilst this guide lists an extensive number of tax deductible options, we recommend that you consider whether or not the business expense you are incurring is a necessity. **Remember to keep good copies of expenses as you incur them.**

With that in mind, let's get stuck into what you came here for!

ELIGIBLE TAX DEDUCTIONS



MOBILE PHONE COSTS

You can claim a 'business use percentage' of your mobile phone as a tax deduction. Keep a diary for a minimum of 4 weeks and note time spent on business use. From here, you can calculate the percentage of business use.



REGISTRATION, LICENCES &/OR SUBSCRIPTION FEES

Periodical subscription fees that are associated with and required of you to run your business.



WORK-RELATED INSURANCE PREMIUMS

Insurance premiums incurred in relation to protecting its business assets would typically be deductible. Commonly deductible premiums include car, building or liability insurance.



SELF-EDUCATION COSTS

If your self-education relates to your current work activities, you may claim a tax deduction on this expense.



INTERNET BILL COSTS

Much like phone costs, if you can calculate the percentage that reasonably relates to work use. To claim more than \$50, you need to keep records for a four-week representative in each income year.

ELIGIBLE TAX DEDUCTIONS



HOME OFFICE COSTS

If you regularly work from home, you can claim based on running expenses, equipment or occupancy expenses.

[Click here for more information](#)



TAX AGENT FEES

Fees for the preparation of your tax return or tax fees paid throughout the financial year. You must have a supporting invoice or evidence of the costs to support the deduction claim.



CHARITY DONATIONS

Any donations over \$2 to a "Deductible Gift Recipient Organisation" may be tax deductible. Proof of receipt must be kept as evidence.



TOOLS & EQUIPMENT

Items purchased for business purposes can be claimed immediately for the cost of the equipment. For anything over \$300, a deduction claim can be made for their decline in value.



WORK-RELATED CLOTHING EXPENSES

Written evidence is required for both purchases and/or representative period of one month for cleaning costs, if claiming an amount greater than \$150 and your total claim for work-related expenses exceeds \$300.

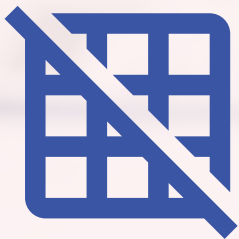
ELIGIBLE TAX DEDUCTIONS



VEHICLE & TRAVEL EXPENSES

You may claim travel and vehicle expenses that you incur in performing business duties. Generally, you cannot claim for normal trips between home and work. Also travel expenses must have records kept.

[Click here for more information](#)



BAD DEBTS

Bad debts must be bad debt, not merely doubtful. The question of whether debt is a bad debt depends on each individual case. Your accountant can assist you with this. If eligible, this can be claimed as a tax deduction against your assessable income.



MARKETING COSTS

This may include costs associated with advertising, sponsorship, public relations, digital media (such as websites) and any upkeep associated with this.



GENERAL ONGOING OPERATIONAL EXPENSES

Some examples:

- Purchase of trading stock including delivery charges
- Bank fees and charges
- Stationery expenses
- Transport and freight costs
- Waste removal and recycling expenses
- Utility expenses
- Rental or leasing expenses
- Small-value items costing \$100 or less

ELIGIBLE TAX DEDUCTIONS



FRINGE BENEFITS TAX

All costs associated with offering benefits to your employees are able to be claimed as a tax deduction



MISAPPROPRIATION OF LOSSES

This usually involves misconduct of employees resulting in the loss of money such as embezzlement, fraud or theft.



INTEREST ON MONEY BORROWED

In cases of taking out a loan, you may claim the interest charged as a deduction. This can be claimed on any loans taken out on purchasing land, property, depreciating assets, repair or for renovations.



NON-ENTERTAINMENT GIFTS

Gifting staff items that are valued at \$300 or less, GST inclusive, will ensure that it is a tax-deductible expense. Should the gift be higher than \$300, FBT is payable. Note that events such as Christmas Parties are considered as entertainment expenditures and therefore non tax-deductible



SUNSCREEN OR MAKE-UP

If your job requires you to be outdoors or to present to a certain standard, then you can claim it



FINAL WORD

It's important to remember that records must be kept. The ATO is becoming increasingly focused on cracking down on erroneous claims. Whilst this list does not cover all expenses, I hope there is something in here that you may not have considered to be a potential tax-deductible claim.

If you're uncertain about a particular claim, we always recommend to speak to a qualified accountant to get the right advice.

Best of luck!

Davie Mach



Box Advisory Services was founded with the aim to deliver outstanding and affordable services to contractors, consultants and small businesses in Australia. We are specialist accountants for small businesses who will take the time to get to know you and provide you with prompt and bespoke advice. Our success derives from our commitment to building a strong client relationship combined with quality, commitment and reliability. It is our comprehensive understanding of clients' businesses and their industry that allows us to provide the quality of advice and service they require.

Here at Box Advisory Services, we believe that we are the #1 contractor and small business accounting firm in Australia. Our approach is to think outside the box and keep it personable with our clients.

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