

# NEWSLETTER

## Tax Time Tips

Get ready, because the 2025 tax season is here! The ATO has rolled out its annual compliance hitlist, and this year, they're zeroing in on some key areas that could impact your tax return. Expect a sharper focus on work-related expenses, rental property deductions, cryptocurrency transactions, and the income from your side hustle.

We know tax time can be a bit overwhelming, but staying ahead of the latest updates can truly change the game.

Whether you're an individual navigating your personal taxes or a business owner looking to optimize deductions, understanding what's new this financial year is essential. Staying informed will not only help you remain compliant and avoid penalties but also give you the chance to make the most of your return.

## What's on this year's ATO's Tax Hitlist

### The 2025 hitlist focuses on:

- Work-from-home expense claims
- Rental property income and deductions
- Cryptocurrency and digital asset gains
- Side hustle and freelance income
- Capital gains on shares and property
- Superannuation guarantee obligations

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The best things in life are free, but sooner or later

**the government will find a way to tax them!**



## Other Areas of ATO Focus

The ATO will continue their scrutiny of investment property deductions and have increased the number of reviews they conduct. Their focus will be on repairs and maintenance expenses and interest claims, to ensure only interest that applies to the purchase of property is being claimed.

**Stay Aware. Stay Compliant. Maximise Your Tax refund**



## Compliance and Reporting Requirements

**The ATO is increasing its focus on accuracy and compliance. That means tighter checks on:**

- Work-from-home claims
- Rental property deductions
- Side hustle income (e.g. freelancing, gig economy)
- Crypto trading and investments
- Super contributions and missed payments

**What records does the ATO expect?**

- Income: payslips, invoices, dividends, bank statements
- Deductions: itemised receipts, diary entries for work hours
- Super: payroll reports, payment confirmations

## Charitable Donations

The ATO now frequently requests receipts for charitable donations.

To be deductible, the charity must be a **Deductible Gift Recipient (DGR)**.

- You can verify DGR status at [ABN Lookup](#) by entering the charity's name.

## Superannuation Guarantee Increases

From 1 July 2024, the Superannuation Guarantee (SG) rate increased from 11% to 11.5%. It will rise again to 12% from 1 July 2025.

**Do I need to update my payroll?**

**Yes.** Employers must ensure payroll systems reflect the new SG rate to remain compliant.

**Does this apply in all states?**

**Yes.** The SG rate is set under federal law & applies across Australia.

Why You Should Take  
the 2025 ATO Hitlist  
**Seriously**

**Data-matching is stronger than ever: The ATO compares your lodged return with Centerlink, banks, employers, Real Estate Agents, sharing economy platforms such as Air Tasker, Uber etc, crypto exchanges, and even state government agencies**

**AI warnings on your tax return: Artificial intelligence now analyzes your deductions against industry benchmarks, occupation codes, and previous tax returns.**

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**Starting the new financial year on the right foot**


Now is a great time to review any deductions or concessions that you can claim when lodging your income tax return.

Small Businesses may qualify for

simplified depreciation rules, immediate deductions for prepaid expenses, or the instant asset write-off.

Taking advantage of these options can help lower your tax bill and save you time!





# TAX DEDUCTION

## Self-Education Deductions

If you want to claim a deduction for self-education expenses, you may do so if there is a sufficient connection between the expenses and your ability to earn income at the time of incurring these expenses.

## Motor Vehicle Claims

Motor vehicle claims are subject to scrutiny it's essential to be prepared!

If you're claiming actual usage, make sure you keep a detailed logbook of all kilometers traveled for a period of 12 weeks to substantiate your claim.

## Uniforms and Protective Clothing

The Tax Office has again issued education material around uniforms and protective clothing.

Uniforms need to be specific clothing. This includes clothing unique to your job and not worn as conventional clothing.

**You can claim the cost of purchase and maintenance.**

You cannot claim conventional clothing such as suits, black pants, plain shirts, etc.

Non-compulsory uniforms and clothing with a company logo that is not compulsory or registered with AusIndustry cannot be claimed.

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## Important ATO Updates and Changes

The ATO has advised against any lodgments of tax returns until all aspects have been received by tax payers.

These include:

- Finalised Income Statements
- Private health insurance
- Interest and dividends payments

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To avoid the need to amend tax returns after assessment, The ATO has stated that any returns containing omissions or errors will be delayed until clarification is provided. Therefore, we will ensure that all returns are complete before submission to prevent this issue.



For information about deductions for the 2024-25 income year, see [Deductions you can claim.](#)

# Rental Property Income and Deductions

## What the ATO Is Watching:

- Incorrect deduction of interest on loans
- Capital improvements claimed as repairs
- Holiday homes incorrectly declared as fully available for rent.

## What You Must Do:

- Declare all rental income, including Airbnb and short-term lettings
- Differentiate repairs (immediate deduction) from improvements (capitalised)
- Pro-rata deductions based on actual availability.



## What you can claim

- Gardening
- Rates & Insurance
- Bank fees & interest
- Repairs & maintenance
- Body corporate
- Advertising
- Property manager fees
- Agent administration costs
- Landlord insurance
- Building/contents insurance



## Instant asset write-offs

For the 2024–25 income year, small businesses with an aggregated turnover of less than A\$10 million can claim an immediate deduction for the full cost of eligible assets costing less than A\$20,000 per eligible asset under the instant asset write-off program.

To be eligible, assets must be purchased and installed ready for use between 1 July 2024 and 30 June 2025. Both new and second-hand assets qualify, including machinery, tools, office equipment and vehicles



**If you have investments requiring end-of-financial-year tax statements, we need to wait for those before finalizing your return. Some may not be available until September or October, depending on the provider.**

# Working FROM HOME

## Tax Deductions



### Fixed Rate Method

(70 CENTS/HOUR) THIS NEW RATE COVERS:

- home and mobile internet or data expenses
- mobile and home phone usage expenses
- electricity and gas (energy expenses) for heating, cooling and lighting
- stationery and computer consumables, such as printer ink and paper.

This method allows a separate claim for other items listed under actual method (e.g. depreciation on office equipment).

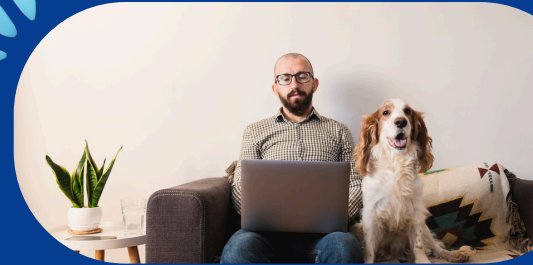
To claim, you'll need a record of hours worked and proof that you paid for the included expenses.

### Actual Cost Method

This method lets you claim actual work-related costs

- ELECTRICITY & GAS
- OFFICE CONSUMABLES, SMALL SUPPLIES & STATIONERY
- OFFICE FURNITURE & EQUIPMENT DEPRECIATION \*
- CLEANING (IF USING A DEDICATED HOME OFFICE)

It requires detailed records – think square meterage of your workspace, itemised utility usage, depreciation schedules, & receipts.



### What you can't claim:

- ❌ Rent/mortgage
- ❌ Snacks, personal items
- ❌ Anything reimbursed

#### 💡 Tip:

Equipment under \$300 = full deduction  
Over \$300 = depreciation over time



The focus will be on individuals claiming their entire bill or a significant portion as work-related expenses.

The ATO is also watching for "double dipping," where taxpayers claim the 70 cents per hour rate (which includes phone costs) and file separate claims for mobile expenses.



**Deductions** for items such as **rent, rates and mortgage interest** are only allowable if the home is used to run a **business** – **not** just for working from home as an employee.



## Fee Updates & Appointments

Last year, many took advantage of the option to meet virtually through Zoom, Teams, telephone appointments.

**These methods are still available this year, so please feel free to ask about them when making your appointment.**

**Head to our website for easy online booking**



### This is a friendly reminder

To verify and update your current bank details when signing your tax returns this year. Ensuring we have the correct information is essential to avoid any unnecessary delays and to ensure that your refunds are paid directly into your nominated account!



**Once again this year, our preferred method for delivering tax returns will be electronically.**

**Please remember to check your junk folder.**



## Keep your account secure with a Digital ID

The Australian Government's Digital ID app, myID, is the most secure way to access ATO online services and helps protect against identity crime. When you use myID to access ATO online services you're securing your account and defending yourself from fraudsters trying to access your account or impersonate you.

[Learn more about how increase your online security with myID.](#)



### Fee Increase

Please note: Due to rising operational costs and increasing compliance demands, our fees will increase from 1 July 2025.

**If you wish to discuss further please contact our office**



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