



media release

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GET YOUR HOUSE IN ORDER – THE TAXMAN MAY BE INSPECTING YOUR TAX RETURN

Real Estate employees should be aware the Australian Taxation Office has targeted their occupation for audit activity for the 2011 tax return.

It means the ATO will be looking hard to explore any perceived 'irregularities' and that may trigger an audit or review of your tax return.

This review may include letters to taxpayers whose claims are at the upper level of that occupation average; taxpayers whose claims have increased significantly in the past few years; and it may also require the taxpayer to complete work related expense information sheets when lodging their tax return.

H&R Block, Australia's largest tax return preparation company, Regional Director Frank Brass says the critical response is not to panic. Every year some occupations are targeted by the ATO and taxpayers freeze-up and become over-cautious in making their claims. The best approach is to get your paperwork in order and make acclaim for your entitlements, said Frank Brass.

Every year the Tax Office selects some occupations that they plan to target in relation to work related expenses claims. This year they are real estate employees, carpenters and joiners (including apprentices and trainees), earthmoving plant operators and flight attendants.

"Taxpayers have a right to tax deductions, and the ATO scrutiny does not change this. You should claim all you are legally entitled to and the best way is to make sure that you have all the necessary records to substantiate your claims, and then claim accordingly. So if the Tax Office do review your tax return you know you have no problem," said Frank Brass.

The main areas of the Tax Office scrutiny for real estate employees will be firstly, having insufficient documentation to support motor vehicle and travel expense claims, and secondly, incorrectly claiming for expenses relating to home office, mobile phone and internet charges.

"One of the best ways of supporting travel claims is to keep a log book of travel for 90 days. This then allows you to choose a method that gives you the best claim," said Mr Brass. "Without a log book, you will be limited to the records you do have."

Taxpayers should be aware you cannot claim the cost of travel to and from work. However, travel undertaken as part of work is deductible.

Mobile phone claims is a particular claim the Tax Office will be looking at. You need to should establish a log for mobile phone usage to determine the work related percentage, so you can justify the basis of the claim.

"Taxpayers should always remember they have a legal right to make appropriate claims for work-related expenses in their tax return. The key is to be prepared and don't panic," said Frank Brass.

Remember there are H&R Block tax professionals who can help you at every stage of your return.

For further information please contact

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