



Chartered Accountants | Strategic Business Advisors

2026

# Australian Tax Return Deduction Checklist

*2025–26 Financial Year*

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*Your comprehensive guide to maximising your refund, staying compliant with the ATO, and keeping your records in order for the 2025–26 financial year.*

## Introduction: Why Use a Deduction Checklist?

Every year, billions of dollars in legitimate deductions go unclaimed by Australian taxpayers who are either rushed, unprepared, or simply unaware of what they can claim. A structured checklist is your most powerful tool to ensure nothing slips through the cracks when lodging your return.

<p><b>\$ Maximise Your Refund</b></p> <p>Capture every eligible deduction so you receive the full refund you're entitled to — not a dollar less.</p>	<p><b>✓ Stay ATO Compliant</b></p> <p>A thorough approach ensures your claims are legitimate, properly substantiated, and aligned with current tax law.</p>	<p><b>! Reduce Audit Risk</b></p> <p>Well-organised records and accurate claims dramatically lower your chances of an ATO review or audit.</p>
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**Pro Tip:** Early preparation and consistent record-keeping throughout the year are the keys to a smooth End of Financial Year (EOFY) experience. Don't wait until June to get organised!

## 1. Income Records to Gather

Before you can claim deductions, you need a complete picture of all income earned during the financial year. The ATO receives data from employers, banks, and government agencies via Single Touch Payroll and data-matching programs — so accuracy is essential.

**1****Employment Income**

PAYG summaries or Single Touch Payroll (STP) income statements from all employers, including part-time and casual roles.

**2****Government Payments**

Centrelink statements for pensions, JobSeeker, parenting payments, or any other government benefits received.

**3****Investment Income**

Bank interest statements, dividend statements from shares, and distribution statements from managed funds or ETFs.

**4****Rental Income**

Lease agreements, tenant payment summaries, and property management statements showing all rental receipts.

**5****Business Income**

Invoices, receipts, and comprehensive records of all sales, payments, and ABN-related earnings.

**6****Foreign Income**

All overseas earnings converted to AUD using official RBA exchange rates for the relevant dates.

## 2. Work-Related Expense Deductions

Work-related expenses are the most commonly claimed deductions in Australia. To claim, the expense must relate directly to earning your income, you must have spent the money yourself (and not been reimbursed), and you must have a record to prove it.

### Vehicle Expenses

Cents per kilometre (88¢/km up to 5,000 km) or logbook method for higher claims.

### Travel Costs

Public transport fares, accommodation, and meals — only if work-related travel is required.

### Tools & Equipment

Immediate deduction for items under \$300; depreciate items costing more over their effective life.

### Education & Training

Courses, seminars, and conferences directly related to your current employment.

### Clothing & Laundry

Occupation-specific uniforms, protective clothing, and laundry costs for eligible garments.

### Home Office

Fixed rate method (70¢/hour) or actual cost method covering utilities, internet, and phone.

### Union & Professional Fees

Union membership fees and professional association subscriptions relevant to your role.

### Phone & Internet

Business-use percentage only — keep detailed records or use a four-week representative diary.

### 3. Investment-Related Deductions

If you earn income from investments — whether property, shares, or managed funds — you may be able to claim a range of expenses incurred in generating that income. These deductions can significantly offset your taxable investment returns.

<b>Investment Property Expenses</b>	<b>Share &amp; Managed Fund Costs</b>	<b>Interest &amp; Dividend Deductions</b>
Loan interest, council rates, water charges, insurance, repairs and maintenance, property management fees, and depreciation of the building and fixtures.	Brokerage fees, investment advisory fees, costs of financial publications, and expenses related to managing your portfolio.	Costs directly related to managing your investments, including interest on money borrowed to purchase income-producing assets.

**Record-keeping reminder:** Keep all receipts, statements, and supporting documentation to substantiate every investment-related claim. The ATO data-matches extensively with financial institutions.

## 4. Donations and Gifts

Generosity can also be rewarding at tax time. Donations to eligible organisations are tax-deductible, but there are specific rules you need to follow to ensure your claim is valid.

### Eligibility Criteria

- The recipient must be a registered **Deductible Gift Recipient (DGR)** — you can verify this on the ABN Lookup website.
- Only donations of **\$2 or more** are claimable as deductions.
- The donation must be a genuine gift — you cannot receive a material benefit in return (e.g., raffle tickets or event admission don't qualify).
- Keep official receipts for all donations, showing the DGR's name, ABN, amount, and date.

### What Counts?

#### ✓ **Deductible:**

- Cash donations to registered charities
- Donations of property or shares valued over \$5,000 (with a valuation)
- Workplace giving programs

#### X **Not Deductible:**

- Raffle or art union tickets
- School building fund levies (check DGR status)
- Donations to non-DGR organisations

## 5. Self-Managed Super Fund & Personal Super Contributions

Superannuation contributions can be a powerful tax planning tool, but the caps and rules are strict. Understanding the difference between concessional and non-concessional contributions is essential to avoid excess contributions tax.

<b>Concessional Contributions</b>	<b>Non-Concessional Contributions</b>
Up to \$30,000 per year. These are tax-deductible and include employer contributions, salary sacrifice, and personal deductible contributions. Taxed at 15% inside the fund.	Up to \$120,000 per year. Not tax-deductible but made from after-tax income. Useful for building your super balance without incurring additional tax inside the fund.

### How to Claim a Personal Super Contribution

<p><b>01 Make Your Contribution</b></p> <p>Ensure your personal super contribution is received by your fund before 30 June to count for this financial year.</p>	<p><b>02 Lodge a Notice of Intent</b></p> <p>Submit a Notice of Intent to Claim a Deduction (Section 290-170) to your super fund and receive acknowledgement.</p>	<p><b>03 Claim on Your Return</b></p> <p>Include the deductible amount at the relevant label in your tax return. Keep all contribution statements as proof.</p>
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## 6. Other Common Deductions

Beyond the major categories, there are several other frequently overlooked deductions that can further reduce your taxable income. These apply across a range of circumstances and employment types.

### Income Protection Insurance

Premiums for income protection (salary continuance) insurance policies are generally deductible. Life insurance and trauma cover premiums held outside super are NOT deductible.

### Tax Affairs Management

Accountant and tax agent fees, tax return preparation software subscriptions, and travel to your tax agent's office are all claimable.

### Depreciation on Capital Assets

Computers, office furniture, software licences, and other assets used for work can be depreciated over their effective life as set by the ATO.

### Business-Related Insurance

Public liability, professional indemnity, and other insurance premiums required for your work or business activities are deductible.

## 7. Record-Keeping Essentials

The ATO requires you to keep records that prove your claims. Without proper documentation, even legitimate deductions can be disallowed during an audit. Good record-keeping isn't just about compliance — it makes tax time faster and less stressful.

<p><b>1</b></p> <p><b>Collect</b></p> <p>Gather all receipts, invoices, and bank statements as expenses occur throughout the year. Use the ATO's myDeductions app for real-time tracking.</p>	<p><b>2</b></p> <p><b>Organise</b></p> <p>Maintain a dedicated folder — physical or digital — for all tax documents. Separate personal and work-related expenses clearly.</p>	<p><b>3</b></p> <p><b>Log</b></p> <p>Use logbooks for vehicle claims (12-week representative period) and home office hours. Record entries consistently and accurately.</p>	<p><b>4</b></p> <p><b>Retain</b></p> <p>Keep all records for a minimum of 5 years from the date you lodge your return. Digital copies are accepted by the ATO.</p>
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## 8. Common Pitfalls to Avoid

Even well-intentioned taxpayers can make costly mistakes. The ATO uses sophisticated data-matching and analytics to identify inconsistencies, so it pays to get your claims right the first time. Here are the most common traps to watch out for.

### **X Claiming Private Expenses**

Your normal commute from home to work, personal meals, and everyday clothing are NOT deductible — even if you wear them to work. Only genuinely work-related costs qualify.

### **X Overstating Without Evidence**

Inflating work-related expense claims or claiming amounts without proper receipts is a red flag. The ATO benchmarks claims against occupation averages and will request substantiation.

### **X Forgetting to Apportion**

If an expense is used partly for work and partly for personal purposes (e.g., phone, internet, laptop), you must calculate and claim ONLY the work-related percentage.

### **X Missing Key Deadlines**

Late super contributions won't count for the current year. Missing BAS lodgement dates or the 31 October tax return deadline can result in penalties and interest charges.

**Remember:** If in doubt, consult your registered tax agent at Tenfold Wealth Accountants. The cost of professional advice is itself tax-deductible — and it could save you far more than it costs.

## Ready to lodge? We're here to help.

At Tenfold Wealth Accountants we prepare hundreds of individual, business, rental and investment tax returns each year. We'll make sure every legitimate deduction is captured, your records are compliant, and your return is lodged on time.

### Before your appointment

Use this checklist to collect your income records, expense receipts, and supporting documentation. The more organised you are, the more we can focus on maximising your position.

### Book a consultation

Reach out to our office to schedule your tax return appointment. We offer in-person, phone and video meetings to suit your preferences.

**Important:** This guide is general information only and does not constitute personal taxation advice. Individual circumstances vary and specific advice should be sought before acting on any of the items contained in this checklist. Tax rates, caps and thresholds are indicative for the 2025–26 year and are subject to change.