



“The Bottom Line” SIMMONDS LE-FEVRE

Tax & Super Information that's Important to You

June 2025

Get on the front foot for your 2024-25 tax return

Here are some more detailed tips relating to a couple of common claims that often attract ATO scrutiny.



Working from home

A lot of people are still regularly working from home for at least part of the week. If you do, you are entitled to a deduction for the additional costs you incur. To be eligible to make a claim it is not necessary to set aside an area exclusively for business or employment related use. A shared dining table is all you need.

Except in very unusual cases, deductions are not available for occupancy costs such as mortgage interest, rent, rates and insurances.

About this newsletter

Welcome to your tax and super update from Simmonds Le-Fevre. This newsletter is aimed at keeping you on top of the issues you need to know about and changes as they happen. If you have any queries don't hesitate to contact us.

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Most people make their claim using the fixed rate method, which is 70 cents per hour for 2024-25. The fixed rate method covers home and mobile internet costs, mobile and home phone costs, power and gas charges and stationery and computer consumables. Under the fixed rate method, you can also claim depreciation and repairs for assets used such as desks, office chairs and laptops, where those items cost more than \$300. This is on top of the 70 cents per hour.

Alternatively, you could use the actual cost method, but that requires more detailed records and receipts.

We can help you to legitimately maximise your claim, but before you can claim anything, you need to have:

- » A record of the hours worked from home. This has to be maintained for the entire 2024-25 financial year – you can't just keep a detailed record for a representative period and apply it for the full year.
- » One current sample invoice for each of the costs the fixed rate method is intended to cover – internet costs, phone costs, energy bills. It's important to take copies of those invoices now and file them with your tax records rather than scramble around looking for them when the ATO comes asking for them in a few years' time.

continued overleaf ➡

Your 2024-25 tax return... cont

Use of your own vehicle for business or employment related purposes

For starters, any reimbursement you receive from your employer, either on a cents per kilometre basis or a flat amount, is assessable in your hands and will be shown on your payment summary. Not everyone who uses their own car for work is reimbursed in this way, however, and you are still entitled to make a claim, in spite of not receiving any reimbursement.

There are two alternative ways of claiming a deduction for business or employment related car use – the cents per kilometre method or the logbook method. For those who use the cents per kilometre method (which only applies to claims of up to 5,000 kms) the process is pretty simple – just multiply the kilometre figure by 88 cents. So if your business or employment related use was 4,000 kms, your 2024-25 claim would be \$3,520.

Under the cents per kilometre method, you don't need to keep a full-blown logbook that tracks every journey. However, the ATO may ask you how you came up with the claimed distance, especially where you're pushing up against the 5,000 km threshold. So you will need to have a diary of some sort that shows how you have estimated the kilometres being claimed – anything to prove you haven't just plucked the figures out of thin air.

People sometimes get confused about what qualifies as business or employment related car use. You can make a claim where:

- » you travel to locations that are not your usual workplace;
- » you have no fixed workplace and travel from site to site;
- » you carry tools or equipment which are bulky and cannot be securely stored at your workplace;
- » you drive to see customers or suppliers;
- » you drive to seminars or to a second job.



Car logbooks are available from Officeworks and most stationers, and can also be ordered online.

Non-deductible travel includes situations where:

- » you drive to and from your regular workplace;
- » your employer pays your car expenses directly.

The logbook method is the alternative to the cents per km method. As the name implies, you need to keep a detailed logbook, but only for a representative period of twelve weeks to work out your business related use. Provided your pattern of car usage remains broadly the same, the resulting business use percentage is good for five years, after which you have to repeat the process. The logbook method might be more appropriate where your business or employment related car use is well over 5,000 kms.

For each journey, the logbook needs to show the date of the trip, the starting and finishing odometer reading, the distance travelled and the reasons for the journey. Where you are completing your logbook for the 2024-25 financial year, you need to complete the logbook entries during that year, after each trip. The logbook should come up with a business percentage, which can then be applied to all the costs associated with running the car, including depreciation. Receipts, invoices or other documentary evidence has to be maintained to verify the actual expenditure being claimed.



We can help you with the record keeping and logbook requirements.

This information has been prepared without taking into account your objectives, financial situation or needs. Because of this, you should, before acting on this information, consider its appropriateness, having regard to your objectives, financial situation or needs.