Steve Shephard & John McCarthy 2026 TAX RETURN CHECKLIST		
The following documents are <u>not</u> needed due to changes in Tax Act or we can access them on the ATO Tax Agent Portal • **Payment summary from your employer** • **Age Pension or social security Payment details** • **Private health Insurance details** • **Medical expenses** • **Trips to another zone**		
<u>New clients</u> please provide a copy of your 2025 return as there may be some deductions that carry over to 2026.		
INCOME	**YES**	**NO**
Any pension income:		
- Australian Pension		
- Foreign pension		
Any interest income:		
- In your own name only		
- In joint names		
- In your children's name		
Any Dividend income :		
- In your own name only		
- In joint names		
(Interest and dividend information **may** be available to us through the ATO tax agent Portal. You should always provide your details so that this information is checked)		
Any other income, including:		
- Kilometre reimbursement for car expenses		
- Rental income (separate schedule required)		
- Distributions from partnerships or trusts		
- Distributions from Managed Funds		
(managed funds information normally released late August)		
Any foreign income (including exempt income)?		
Sale of property/shares/any other assets capital gains?		
Proceeds from life assurance policy?		
2025/26 year end — allowable deductions		
D1 Car-related expenses (work-related daily travel expenses)		
Do you transport people or bulky equipment, e.g. from work to a client's premises, or from home to work transporting bulky equipment needed for your work that cannot be stored at work?		

	Yes	No
– Number of trips:		
– Kilometres per trip:		
Do you travel between two separate workplaces on the same day?		
– Number of trips:		
– Kilometres per trip:		
Do you travel to an alternate workplace, eg from work to an offsite work site or for a meeting?		
– Number of trips:		
– Kilometres per trip:		
Tips All log books from before 1 July 2021 will need to be updated for the current tax year. All cents per kilometre method claims are at a rate of 88 cents per kilometre.		
You cannot claim:		
– Normal trips between home and work		
– Travel to/from work and home more than once a day		
– Trips to/from work if you are on call, or on stand-by relief,		
– Trips to/from work outside normal business hours,		
D3 Clothing Expenses		
Do you wear clothing to protect yourself from the risk of illness or injury posed from your working environment		
Cost of laboratory coats/art smocks/aprons/other protective clothing		
Cost of protective shoes/steel capped boots for work		
Are you required to wear a distinctive uniform or corporate attire to distinguish you as an Employee?		
If "Yes", is the clothing distinctive (ie has a work logo)?		
– Description:		
– Cost of clothing:		
Have you incurred laundry and dry-cleaning expenses for any of the above items		
If "Yes", please advise costs or the approximate number of washes for the year		
Tips *You can claim Laundry expenses for eligible clothing purchased in an earlier year.* *You cannot claim purchasing and cleaning of:*		
– *plain uniforms or conventional clothing*		
– sports clothing		

	Yes	No
– clothing worn for medical reasons		
– everyday footwear, e.g. dress or casual shoes		
– items that were purchased or reimbursed by your employer, and		
– a deduction just because you received a clothing, uniform and laundry allowance.		
D4 Self-education expenses		
Did you undertake a course of study designed to lead to an increase in income from your current employment?		
– If “Yes”, list the details		
– Type of course of study:		
– Educational facility:		
– Cost of course fees:		
– Cost of textbooks:		
– Cost of stationery:		
– Cost of equipment/computers:		
– Cost of subscriptions:		
– Cost of travel from work:		
Tips You cannot claim a self-education course for the purposes of finding new employment or starting a new income-earning activity.		
Did you work from home during the year		
If yes please complete our work from home checklist, special rules apply to the post COVID 19 period and it is therefore essential that you complete the checklist attached		
D5 Have you incurred any of the following out-of-pocket, work-related expenses:		
Seminars/ training that had an educational benefit and were related to the work done by your employer?		
– If “Yes”, list the cost:		
First aid course where you are a designated first aid person at work?		
– If “Yes”, list the cost:		
Safety items such as sunscreen, sunglasses and hats?		
– If “Yes”, list the cost:		
Work tools /professional library?		
– If “Yes”, list the cost:		
Seminars and training courses?		
– If “Yes”, list the cost:		
Union fees?		

- If yes , list the cost:		
Tips You cannot claim: – child care expenses – driver's licence expenses – fitness costs, even if you are a PE teacher – meals during a normal working day – newspapers (or online subscriptions) – removal/relocation costs, even if you are transferred by your employer, and – student expenses, including supplies, gifts or personal expenses.		
D9 Gifts or donations		
Did you make any gifts or donations of $2 or more to a deductible gift recipient?		
– If "Yes", list below:		
–		
–		
–		
–		
Tips Your receipt from the approved organisation will show whether your donation is tax-deductible. Most payments to GoFund Me or similar fund raising methods are not tax deductible		
D10 Tax agent fees paid in 2025/26 (if not paid to Steve Shephard or John McCarthy)		
NON EMPLOYER SPONSORED SUPERANNUATION		
Did you make personal contributions to superannuation during 2025/26		
Full name of fund:		
Policy number:		
Amount Paid:		
(You will need a letter from your super fund acknowledging your intention to claim a tax deduction)		
SPOUSES or DEFACTO INCOME		
(if we are not preparing a spouse or defacto's tax return we will need to know income detail to complete your return)		

Dated: ……/……/…….

Home Office Calculation Methods

Please read through the information below and then complete this table

Period of Using Home Office

Dates	No of Hours (TOTAL FOR YEAR)	How were hours recorded, (you will need to retain a record of hours worked from Home)
1/7/2025 to 30/06/2026		

Depending on which method is best for you we **may** need the following details of actual expenses incurred

	% of Business Usage	1/7/2025 to 30/6/2026 $
Power bills		
Phone		
Internet		
Computer consumables		
Plant and equipment like printers computers etc		

There are two ways of calculating home office expenses depending on your circumstances. The methods are the:

- Fixed rate method
- Actual cost method

Fixed rate method

You can claim a deduction of 70 cents for each hour you work from home for the work-related expenses you incur for additional running expenses. The fixed rate covers all expenses you incur for:

- Home and mobile internet /data

- Mobile and Home phone costs

- Electricity and Gas for home office area

- Stationery and computer consumables

The following costs can be claimed separately if you use this method

- the decline in value of home office furniture and furnishings – for example, a desk
- the cost of repairs to your home office equipment, furniture and furnishings.

To claim using this method, you must keep records that show your actual hours spent working at home for the year.

Actual Costs Method

To use this method, you need to have a dedicated work area, such as a home office when you work from home.

This method doesn't include the following, so you will need to separately calculate your work-related use for:

- phone expenses
- internet expenses
- computer consumables and stationery – such as ink
- decline in value of equipment – such as phones, computers and laptops.

To claim the work-related portion of these expenses you must have records such as:

- receipts or other written evidence that shows the amount spent on expenses and depreciating assets you purchased
- phone accounts identifying your work-related calls and private calls to work out your percentage of work-related use for a representative period
- records of how you have calculated the work and private apportionment of expense claims (for example a diary or similar document for representative 4 week period to show your usual pattern of work related use for laptop)

Other Checklists – available on the website

Motor Vehicle expenses options
Rental Property Checklist
CGT Checklist
Sale of Property Checklist

WORK RELATED EXPENSES - DEDUCTIBILITY

To be deductible, the expense must be incurred in gaining or producing assessable income ie. there must be a direct connection between the expense and your income earning activities. To make a claim for the 2025/2026 year you must have incurred the expense after 30/6/2025 and before 1/7/2026.

Expenses will not be deductible if they are not incurred in gaining or producing assessable income. The ATO have issued rulings specifying that they consider certain items to be non- deductible even if they are work related. Whether or not the Courts will endorse all these rulings is a matter of doubt.

Some of the items considered not deductible by the ATO for most employees are: shoes and hosiery (unless part of a distinctive compulsory uniform), grooming, clocks and watches, most travel between home and work, daily newspapers, English language courses etc. Reasonable overtime meal allowances are not taxable to the employee and are not usually shown on the group certificate.

ALLOWANCES - SUBSTANTIATION

The receipt of an allowance does not automatically entitle an employee to deductions for expenses incurred in relation to the allowance. Claims can only be made against an allowance if expenditure is incurred, it is allowable as a deduction, and the requirements of the substantiation provisions are satisfied.

If the expenses are allowable, and the substantiation requirements are satisfied, the amount allowable is not limited by the amount of allowance received. Reimbursements are not generally included in assessable income and are not deductible. However, if Motor Vehicle expenses are reimbursed on a cents per kilometre basis the amount is included in assessable income and a deduction is allowable.

WORK RELATED EXPENSES – SUBSTANTIATION

If your total claims for work-related expenses are more than $300 you must keep receipts to prove your claims. If the total of your claims is $300 or less you do not need to keep receipts but you must have spent the money to earn your income. You should keep a diary of your expenses and a record of how you worked out your claims. For work-related expenses, the records you must keep are receipts, invoices or similar documentary evidence except where a diary is sufficient. A diary may be used to prove your claims for expenses that are not more than $10 each and add up to no more than $200 or for which it was unreasonable to expect to get a receipt.
Special substantiation rules apply to claims for car expenses and travel expenses. The diary must show the name of the supplier and the date, amount and nature of the expenditure.

Please call us on if you have any questions

John McCarthy 0428 772 756
Steve Shephard 07 4053 6481