

**Senator the Hon
Nick Sherry**

Assistant Treasurer



**The Hon Kate
Ellis MP**

Minister for Early
Childhood Education,
Childcare and Youth;
Minister for Sport.

PRESS RELEASE

YOUR FIRST TAX RETURN? TIPS FOR YOUNG TAXPAYERS AT TAX TIME

Assistant Treasurer, Senator Nick Sherry, and Minister for Youth, Kate Ellis MP, are advising young people to take advantage of the support and information services available to help them lodge their tax return.

“There are various ways to lodge your return and there are also some simple tips to help Australians preparing a return for the first time,” the Assistant Treasurer said.

“Before anything, you should know the cut-off dates for lodging a return.”

“If you are preparing your own tax return, you need to lodge it with the Tax Office by 31 October.”

“If you are lodging through a tax agent, you need to contact them by 31 October.”

“To complete your return you will need your tax file number, and all your records and personal information including payment summaries, bank interest details and receipts.”

For more information including what to do when starting a job, what you can claim and how much tax you will pay, visit www.ato.gov.au/youth.

“You may even be eligible to receive free help to lodge your tax return through “Tax Help”, which is a free service using Tax Office trained volunteers for people who have simple tax affairs.”

“Lodging a tax return can be challenging for young people who have just entered the workforce and are paying tax for the first time,” Minister Ellis said.

“That is why the Government is committed to simplifying the process and making it easier to manage.”

Some useful tips for young taxpayers can be found below.

CANBERRA

7 July 2010

Media contact: Sophia Agneskis 0434 602 508 (Assistant Treasurer’s Office)

Useful tips for young taxpayers:

Step 1: Get a TFN

If you do not already have a tax file number (TFN), you should apply for one. If you are not sure if you already have one, you can phone the Tax Office on 13 28 61.

It is not compulsory to have a TFN but without one you cannot defer your uni fees or receive Centrelink payments.

If you are working and do not have a TFN your employer must take 46.5 percent of your pay in tax.

Remember your TFN should only be used for taxation purposes and you need to protect it at all times.

Step 2: Know what deductions you are entitled to claim

If you have spent money on something in order to do your job, such as purchasing uniforms, and paying for travelling or ongoing education expenses, you may be entitled to claim that cost as a tax deduction.

Remember to only claim what you are entitled to. You cannot claim private expenses or things that have been reimbursed by your employer.

Step 3: Keep all receipts

You will need to keep receipts for claims totalling over \$300 and generally, tax records should be kept for five years.

Records may include:

- payment summaries from payers, including Centrelink
- receipts for deductions you are claiming
- a copy of your tax return
- statements from your financial institution, for example a 'bank statement' showing what interest you have earned.

Step 4: Lodge online with e-tax

The quickest and easiest way to lodge is online using e-tax – the Tax Office's free tax preparation and lodgement service.

It has built-in checks, calculators and guides and you can also download information from third parties directly into your tax return, including payment summaries, government payments such as pensions and allowances, bank interest and private health insurance details.

Government and third party information held by the Tax Office will be available progressively from 1 July to pre-fill your return. You can subscribe to an alert service within e-tax which will let you know when pre-filled information becomes available.

E-tax is available from the Tax Office website at www.ato.gov.au

A simpler tax time for the future

“The Government has plans to make life easier for Australians at tax time through a standard deduction,” the Assistant Treasurer said.

The Government’s scheme for standard deduction for work expenses would start at \$500 from July 2012 and rise to \$1,000 in July 2013.

“The important step towards a ‘tick-and-flick’ tax time for most Australians was announced in the Budget and will see 6.4 million Australians better off,” the Assistant Treasurer said.

“We have a budgeted plan to give workers the option of choosing a standard deduction instead of keeping a shoe-box full of tax receipts. It is a cut in tax time red tape.”