

Tax Checklist for Individuals 2025/26

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The tax rates for resident individual taxpayers for the 2025/2026 income year are as follows:

Income threshold	Tax payable
0 – \$18,200	Nil
\$18,201 – \$45,000	16% of each \$1 over \$18,200
\$45,001 – \$135,000	\$4,288 + 30% of each \$1 over \$45,000
\$135,001 – \$190,000	\$31,288 + 37% of each \$1 over \$135,000
\$190,001 and over	\$51,638 + 45% of each \$1 over \$190,000

1. The Medicare levy of 2% generally applies in addition to these rates

Common claims made by individuals

The following outlines common types of deductible expenses claimed by individual taxpayers, such as employees and rental property owners, and some strategies for increasing their deductions for the 2026 income year.

1. Depreciating assets costing \$300 or less

Salary and wage earners and rental property owners will generally be entitled to an immediate deduction for certain income-producing assets costing **\$300 or less** that are purchased before 1 July 2026.

Some purchases you may consider include:

- tools of trade;
- electronic tablets, calculators or electronic organisers;
- software;
- books and trade journals;
- stationery; and
- briefcases/luggage or suitcases.

2. Car Expenses

Individuals who own or lease a car (but not under a novated lease) may claim a deduction for car expenses they incur when 'travelling on work' under either the 'cents per kilometre' method or the 'log book' method.

Where an individual is eligible to use either method in an income year, they may **choose** the method that provides the greatest deduction for that year.

3. Clothing expenses

Individuals may pay for work-related clothing expenses before 1 July 2026, such as:

- compulsory (or non-compulsory and registered) uniforms, and occupation specific and protective clothing; and
- other associated expenses, such as dry cleaning, laundry and repair expenses.

4. Self education expenses

Employees may prepay deductible self-education items before 1 July 2026, such as:

- course fees (excluding any Commonwealth supported places, such as HECS-HELP), student union fees, and tutorial fees; and

— interest on borrowings used to pay for any deductible self-education expenses.

They may also bring forward purchases of stationery and text books (i.e., those that are not required to be depreciated).

5. Other work-related expenses

Employees may also prepay any of the following expenses before 1 July 2026:

- Union fees.
- Subscriptions to trade, professional or business associations.
- Seminars and conferences.
- Income protection insurance (excluding death and total/permanent disability).
- Magazine and professional journal subscriptions.

Note: If prepaying any of the above expenses before 1 July 2026, ensure that any services being paid for will be provided within a 12-month period that ends before 1 July 2027. Otherwise, the deductions will generally need to be claimed proportionately over the period of the prepayment.

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Information Required

We will need you to provide us with information to assist in preparing your income tax return. Please check the following and provide any relevant statements, accounts, receipts, etc., to help us prepare your return.

Income/Receipts:

- Details of your employer(s) and wages.
- Lump sum and termination payments.
- Government pensions and allowances.
- Other pensions and/or annuities.
- Allowances (e.g., for entertainment, car, tools).
- Interest, rent and dividends.
- Distributions from partnerships or trusts.
- Details of any assets sold that were either used for income-earning purposes or which may be liable for capital gains tax ('CGT').
- Other income (e.g., foreign income).

Expenses/Deductions (in addition to those mentioned above):

- Bank charges on income-earning accounts (e.g., term deposits).
- Bridge/road tolls (if travelling on work).
- Car parking (if travelling on work).
- Conventions, conferences and seminars.
- COVID-19 testing costs for work purposes.
- Depreciation of library, tools, business equipment (incl. portion of home computer).
- Certain gifts or donations.

- Home office running expenses, such as:
 - cleaning;
 - cooling, lighting and heating;
 - depreciation of office furniture; and
 - telephone and internet.
- Interest and dividend deductions, such as:
 - account keeping fees;
 - ongoing management fees;
 - interest on borrowings to buy shares; and
 - advice relating to changing investments (but **not** setting them up).
- Interest on loans to purchase equipment or income-earning investments.
- Motor vehicle expenses (if work-related).
- Overtime meal expenses.
- Rental property expenses, including:
 - advertising expenses;
 - council and water rates;
 - insurance;
 - interest;
 - land tax;
 - property management fees;
 - genuine repairs and maintenance; and
 - telephone expenses.
- Superannuation contributions.
- Sun protection items (if work-related).
- Tax agent fees.
- Telephone expenses (if work-related).
- Tools of trade.
- Travel allowance expenses.