

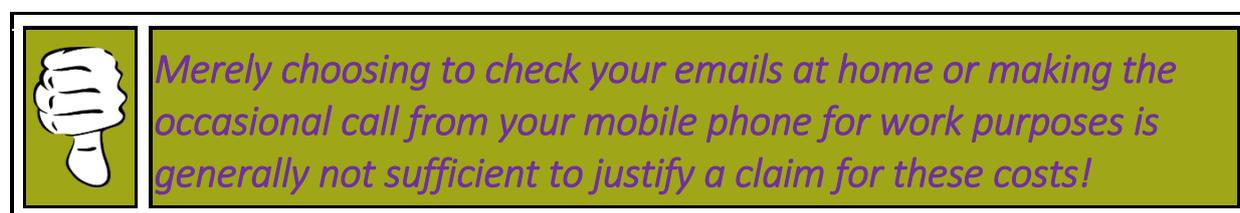
Fact Sheet: Claiming Your Phone & Internet to Save Tax

Work related tax deductions can reduce your tax payable but it is generally not a matter of just filling the boxes on the tax return to include the costs you think should be deductible. Income tax deductions are generally allowed if they are incurred as a condition of your employment but in many cases, there are also some specific rules that also need to be considered.

Telephone and internet costs are one such example that is regularly misunderstood.

How to Claim your Phone and Internet Costs

It may seem obvious but before you can claim your phone or internet costs you must use them for work and be required to use them for work. That generally means they should form part of your employment contract or you should have some other written instruction from your employer that you are expected to use those tools. (Email is ok).



If you must use your phone or internet for work purposes then you will need to substantiate your claim if it is reviewed by the tax office.

How to Substantiate Your Claim (According to the Tax Office)

Now remember, the following represents the ATO's view of the records you will have to keep if you wish to claim your phone or internet costs and those costs exceed \$50. We have a different interpretation of the law so if you have any doubts **please contact our office on (07) 5448 9600** to book an appointment with one of our specialist advisers.

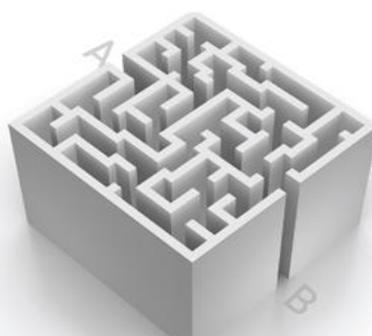
So, the ATO advise, you will need to keep records for a 4-week period that is representative of the year. And yes, the ATO advise these records must be kept every year! The records you will need to keep to properly substantiate your claim include (but are not limited to) the following:

- Diary of calls made/time on internet including data usage of sites visited.
- Telephone or internet bills showing costs of calls made.
- Evidence that your employer expects you to use your personal phone is also useful.

There are alternative claims available based on a rate per call or text message. These also need to be referenced to your phone bill to show the evidence of the call or message.

The rates claimable (as at the date of this Fact Sheet) are:

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- \$0.25 for work calls made from your landline,
- \$0.75 for work calls made from your mobile, and
- \$0.10 for text messages sent from your mobile.

Remember too, if your employer provides your phone and pays the bill or if you have already been reimbursed for calls on your private phone you cannot claim them as a deduction in your tax return.

How can we Help to Maximise Your Refund

The important thing to understand is the ATO have issued the above view as their interpretation of the way the law should be applied. It is not the law itself, so we are free to make an alternative interpretation. Our general advice is you need to do the following as a minimum if you wish to claim your phone and internet costs:

1. **You MUST be required** to use your phone and home internet for work purposes.

This means your employer should provide you with some form of written instruction whether that is an email or part of your employment agreement. It is not sufficient to choose to use your phone or internet because it is convenient for you to do so.

2. If you are required to use your phone and internet then keep a log of calls and internet usage for work purposes and apply that % to your total phone and internet bill. We do not see it will be necessary for you to keep this log every year if your pattern of use does not change.
3. If you are not required to use your phone or internet then the only option may be to record your individual calls and messages and claim on the per item rate specified above.

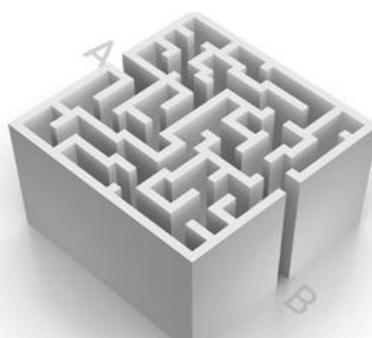
Conclusion

If you are in any doubt please **give our office a call on (07) 5448 9600** and let our experts help you out to avoid getting it wrong. Unlike other areas of law, there is no presumption of innocence with the tax law. If the ATO choose to disallow your deductions for any reason whatsoever then it is up to you to prove you are entitled to the claim so keeping records is essential.

	<p><i>Remember: When it comes to tax law you are guilty until proven innocent if the ATO decides to disallow your claim.</i></p>
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For more information give me a call in the office on (07) 5448 9600 or [CLICK HERE to Drop me a message.](#)

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