



Media release

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Don't let these Tax Time myths slow down your return

At a time when many people want the tax refund that they are expecting to arrive quickly, the Australian Taxation Office (ATO) is warning people not to get tripped up by tax time myths that slow down returns.

"Every year we see people tripped up by tax time myths. Unfortunately, this often results in slowing their return down when either they or we realise their mistake as the return is processed," Assistant Commissioner Karen Foat said.

"Where it doesn't delay the initial return, it can result in a surprise tax bill later on.

"There are always a range of myths that need busting around Tax Time and the changed circumstances this year have seen some new additions to the list," Ms Foat said.

"Our main priority is to help people get the facts straight before they lodge so that it's a smooth, easy and fast process."

Last year, nearly 500,000 individual tax returns were amended, with some taxpayers even amending their own returns before they were processed, which actually slows down the processing of their return.

Usually, tax returns lodged electronically are processed in less than 2 weeks. Taxpayers can check the progress of their return by logging on to myGov and clicking through to the ATO. You can check the status of your return under 'Manage Tax Returns'.

Top tax time myths for 2020

Bank details don't update themselves

While we receive information from banks, this doesn't extend to updating details for the bank account you nominate to have your refund deposited into. Last year many people in their rush to lodge early forgot to update bank details and delayed their refund.

It's not okay to double dip

"We are concerned that some taxpayers may either accidentally or deliberately double dip by claiming their working from home expenses using the all-inclusive shortcut method while also claiming for specific items such as laptops or desks," Ms Foat said.

"It's important to remember that if you're claiming under the shortcut method, you cannot claim a separate additional deduction for any expenses you incur as a result of working from home."

Home to work travel is not claimable

Generally, most people cannot claim the cost of travelling from home to work unless you are required by your employer to transport bulky tools or equipment and there is not a safe place to store these at your workplace.

“If you are working from home due to COVID-19, but need to travel to your regular office sometimes, you still cannot claim the cost of travel from home to work as these are still private expenses. Even though you are working from home, your home is still a private residence – it is not a ‘place of business’,” Ms Foat said.

You can’t just claim \$300 or \$299 if you had no expenses!

“We often see people claiming a deduction despite not purchasing anything. When we question them, we often find it’s because they thought everyone is entitled to claim \$300.

“While you don’t need receipts for claims of expenses up to \$300 but you must have actually spent the money and be able to show us how you worked out your claim.”

Work-related expenses need to be work related!

Each year we see people trying to claim personal expenses under the guise of work-related expenses, but you can only claim for expenses that are directly related to earning your income.

“We have been reminding taxpayers recently that if they are in jobs that require physical contact or close proximity to customers and they had to buy their own hand sanitiser, gloves or masks for use at work, that they can claim these items,” Ms Foat said.

“However, people who aren’t in jobs that aren’t in close proximity to the public or people who have purchased these items for their general use, cannot claim these items.

“For example, people who are working from home can’t claim these items and so a high work from home claim together with a large claim for protective items may trigger a red flag and slow down your return.

“People also cannot claim for the costs of setting their children up for home schooling. These costs are private expenses.”

Lodging earlier doesn’t always mean getting your refund earlier

Each year the ATO automatically includes information from employers, banks, private health insurers (and this year JobKeeper for employees and JobSeeker amounts) in people’s returns. For most people this information is ready by the end of July.

Since leaving out income can slow your return down, if you are lodging before we have automatically included this information for you, it’s really important that you ensure you include all of the information.

Other information

2020 has been difficult but your tax return doesn’t need to be. Check out our tax time essentials to make it easier, visit ato.gov.au/taxessentials

Note for journalists:

File ATO footage is available for use in news bulletins:

ato.gov.au/Media-centre/Video-and-audio-files/ATO-file-footage-and-stock-vision/