

Education Tax Refund

With the Computers In Classrooms program, Education Revolution drama over performance pay and sacking bad teachers and the recent Stimulus Package injecting billions into school infrastructure, one of the Rudd Government's first promises, the Education Tax Refund, has been somewhat overshadowed.

However, with June 30 looming in the not too distant future – it's vital parents remember to keep those receipts!

What is it?

It is a tax refund on education expenses; parents can claim 50% of the money they spend on certain education materials for their children. There are, of course, limits:

- Up to \$750 for each primary school students
- Up to \$1500 for each secondary school students

This means, for example, that for a secondary student, you can claim 50% of \$1500 – getting you a refund of \$750.

Who is eligible?

You must be receiving Family Tax Benefit A or be an independent student to receive the refund.*

How does it work?

As with other deductions, keep the receipts of education related purchases and expenses and make your claim as part of your 2008/2009 tax return (item T6 in your tax return for individuals 2009).

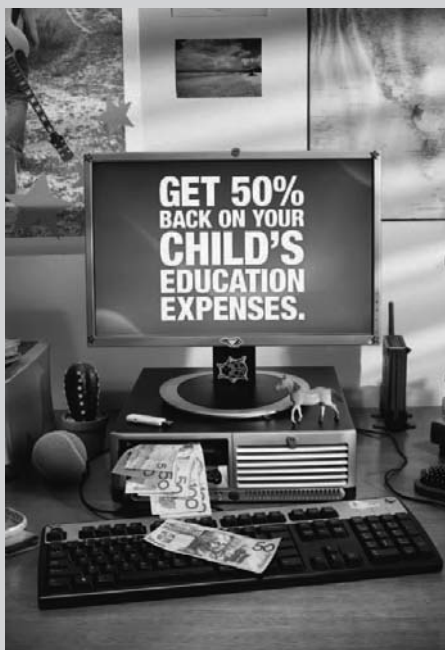
If you do not have to lodge a tax return, you will be able to lodge a separate claim with the Tax Office from July 1.

What expenses can you claim?

You can claim the cost of purchase, lease, hire, repairs and running costs of

a variety of education related products and services.*

- Laptop and home computers
- Computer related equipment – printers, USB drives, disability aids, Internet and software.



- Textbooks, stationery, learning materials, study guides and printed school learning materials.
- Prescribed trade tools

There are, however, a range of expenses you cannot claim, such as:

- School uniforms
- Sporting equipment and musical instruments
- School levies for particular subjects
- Transport
- Membership fees
- Tutoring
- Camps and excursions
- School fees

This last exclusion raises a pertinent question for South Australian public school parents; what about the Materials

and Services Charge? Can you claim it? The Australian Tax Office lists 'school fees' as being excluded, but is the Materials and Services Charge a school fee? In the opinion of SAASSO, it is not.

It is not a general contribution to the school budget – and so, it is not a 'school fee'. Nor is it a levy for a particular subject (such as materials for woodwork or art).

The Materials and Services Charge is an at-cost recovery of expenses for materials and services delivered to students (calculated by each school to cover their specific costs).

Additionally, the M&SC covers items specifically listed by the ATO as being eligible. Resources such as textbooks, printed learning resources and stationery can be charged as part of the M&SC and are eligible for the Education Tax Refund; whether they are bought at the local shop or bookstore or through your public school should not matter.

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SAASSO contacted the ATO with these questions. We were advised that as the refund is new, there are many questions they do not have answers to at this time. As such, SAASSO has applied for a Private Ruling on this issue. Keep an eye on the SAASSO website for the Tax Offices response in around 28 days.

**Detailed information can be found at www.saasso.asn.au/educationrevolution ■*