

ATO Target Areas for Individuals in 2017

ATO AREAS OF COMPLIANCE 2016/2017

Work Related Deductions

The ATO will focus their compliance activities on:

- Motor Vehicle deductions.
The ATO has changed the rules for calculating car expenses this year. Taxpayers can only use the logbook or the cents per kilometre method to support their claims. It is really important to remember that you can only claim a deduction for work related car expenses if you use your own car in the course of performing your job as an employee. The ATO will be contacting employers this year to check on taxpayer's claims.
- ATO will be paying close attention to motor vehicle deductions for those taxpayers carrying bulky tools.
- Work related travel
- Internet
- Mobile Phones
- The ATO have introduced more sophisticated models to better identify work related expense claims and rental transactions that don't look right. This typically involves identifying claims that are significantly higher than those claimed by people with similar characteristics such as similar occupation, employment income and residential locations.

Rental Property Expenses

The ATO is focusing on:

- Excessive deductions being claimed for holiday homes. Deductions can only be claimed for the periods the property is rented out or is genuinely available for rent
- Husbands and wives inappropriately splitting rental income and deductions for jointly owned properties
- Interest deductions being claimed for the private portion of loans
- Incorrect claims for newly purchased property with capital items being claimed as an expense.

Data Matching

The ATO will continue to check the compliance of individuals by matching data from partnership income, company dividends, royalties, foreign transactions, managed funds and the sale of property and shares.