

Auditors are coming

Taxpayers should expect an increase in audit activity by the Australian Taxation Officer over the next 12 months because of a growth of almost 20 per cent in personal tax deductions in the 2005/06 tax year.

“We expect the ATO will heavily scrutinise work related expenses in future as the increase in deduction has not matched the increase in income,” AccountantsRus executive Adrian Raftery said.

He said the tax deductions might be genuine but urged people to maintain records when substantiating their claims in future years.

“Taxpayers need to keep all receipts for a period of five years after they lodge their tax return,” he said.