



The strategy To get a tax break on some of my back-to-school expenses.

Can I do that? If you keep your receipts, there's a strong chance you'll be eligible for a tax break on certain education expenses. The education tax refund, which came into effect on July 1 last year, allows families to claim up to 50 per cent of their education-related expenses up to \$750 for each child at primary school and \$1500 for each child at secondary school. So if you have one child at primary school and one at secondary, you will be able to claim a tax break of up to \$2250 of this year's education-related spending.

Is everyone eligible? The refund is means tested. Basically, it is only available to families entitled to Family Tax Benefit Part A. Eligibility for this benefit depends on the number of children you have, their ages and your family's adjusted taxable income.

You're also eligible if your child would have been eligible for FTB Part A but was made ineligible because they received a government benefit or pension such as Youth Allowance, a disability support pension or ABSTUDY.

If you are an independent student attending secondary school or a secondary course of education provided at an educational institution such as a TAFE, you may also be eligible.

How does it work? It's structured as a 50 per cent refundable tax offset. This means that if you claim the maximum \$750 allowed for a primary school child, your tax liability will be reduced by \$375. Similarly, your tax liability will be reduced by \$750 if you claim the full \$1500 for a secondary school child.

For most taxpayers, the benefit will be claimed by filling in a new section in this year's tax return. For those who don't have to fill out a tax return, you'll be able to get a special claim form from the tax office.

Unlike some tax offsets, the education refund will be paid to all eligible families - you won't lose it if you don't have a tax liability to use it against.

What if my child is starting school or moving to secondary level this year? If your child is moving up to secondary school, the tax office says you can claim the full secondary refund of up to \$750. If your child is starting school you can claim for the number of days he or she meets the schooling requirements. It provides an example of a child starting school on January 28 and says it is regarded as an

eligible child for 181 days (January 1 to June 30) this financial year. So the maximum refund is \$188.

If your child left school last year you may also be entitled to a refund for the period in which they were a full-time secondary student - even if the child starts working and ceases to be regarded as a Family Tax Benefit child. Be aware that you can't claim for children at university and you can only claim for TAFE or technical schools if your child is undertaking secondary school studies.

If I have more than one child, can I pool the costs? Yes. If you spend more than the maximum, the tax office says you can carry forward any excess to claim in next year's tax return.

Does the refund cover all my education expenses? No. It covers spending on laptops, home computers and computer-related equipment such as printers, USB flash drives and expenses associated with running your computer, home internet connections, educational software including word processing, spreadsheet, database and presentation software, internet filters and antivirus programs, textbooks and other learning material, study guides and stationery, and prescribed trade tools, such as tools for a school-based apprenticeship.

It doesn't cover school fees or a range of other expenses such as uniforms, extracurricular activities, tutoring costs and the cost of equipment for activities such as sport and music. It also doesn't cover costs like school-building levies, library fees, donations, transport and levies on subjects such as woodwork, art or home science. You can find out more from the tax office at ato.gov.au or by phoning 1300 720 092.