

## Education Tax Refunds

On 1 July 2008, The Federal Government introduced a new Education Tax Refund for families which allows you to claim a tax refund of up to 50% of eligible education expenses for a child's primary or secondary education, provided any of the following circumstances apply:

- You received Family Tax Benefit (FTB) Part A for the child; or
- A payment was made for the child that stopped you from receiving FTB Part A; or
- The child stopped full-time school during the year and received income over the cut-out amount, which stopped you from receiving FTB Part A.

Payment types that can stop you from receiving FTB Part A include a:

- Social security pension or benefit – for example, Youth Allowance
- Labour market program payment
- Prescribed educational scheme – for example, ABSTUDY living allowance.

If you are an independent student, you can also claim the refund if you had eligible education expenses during the income year and all of the following apply:

- You received a social security pension or benefit, a labour market program payment or a prescribed educational scheme payment including
  - Youth Allowance
  - ABSTUDY Living Allowance
  - Veterans' Children Education Scheme and payments under *Military Rehabilitation and Compensation Act 2004*
  - A disability support pension
- You were an independent person for the purpose of the payment
- You attended secondary school
- You were under 25 years of age
- You were an Australian resident (within the meaning of the *Social Security Act 1991*) or a special category visa holder (within the meaning of the *Migration Act 1958*)
- You lived in Australia

You can claim the cost of buying, establishing, repairing and maintaining any of the following:

- Laptops and computers;
- Computer-related equipment;
- Home internet connections;
- Computer software for educational use;
- School textbooks, stationery and other paper based school learning material; and
- Prescribed trade tools.

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You cannot claim for:

- School fees
- School uniform expenses
- Student attendance at school based extracurricular activities such as excursions
- Tutoring costs
- Musical instruments
- Sporting equipment
- School subject levies
- Computer games and consoles
- Building levies
- Library book fees
- School photos
- Donations
- Tuck shop expenses
- Waiting list fees
- Transport
- Membership fees

Below is a table of how much you can claim each financial year:

Category (per person)	Maximum Expenses You Can Claim	Maximum Education Tax Refund
Child in Primary School (full care)	\$750	\$375
Child in Secondary School (full care)	\$1,500	\$750
Independent Student	\$1,500	\$750
Child in Primary School (shared care)	\$750 x Shared Care % <sup>1</sup>	\$375 x Shared Care % <sup>1</sup>
Child in Secondary School (shared care)	\$1,500 x Shared Care % <sup>1</sup>	\$750 x Shared Care % <sup>1</sup>

<sup>1</sup>Use one of the following methods to calculate your Shared Care %:

- If you received FTB Part A, use the same shared care percentage you get for FTB Part A
- If you did not receive FTB Part A because you or the child received a payment, work out the percentage of nights during the year that the child was in your care

You can claim your Education Tax Refund in your income tax return. If you don't have to lodge a tax return, you can use the Education Tax Refund Claim Form. So remember to keep your receipts for the above expenses for when we see you in the new financial year!

*If you have any questions or require any further information please feel free to contact your Client Manager and they will be happy to assist you.*

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