

Education Tax Offset now available

The Treasurer has advised parents to keep their receipts for education expenses in light of the commencement of the Education Tax Offset from 1 July 2008.

How much can be claimed?

Eligible families will be able to claim a 50% tax offset every year for key education expenses up to:

- \$750 for each child undertaking primary studies (i.e., maximum refund of \$375 per child, per year); and
- \$1,500 for each child undertaking secondary studies (i.e., maximum refund of \$750 per child, per year).

What items are covered?

Eligible expenses for the 'Education Tax Refund' (as called by the Treasurer) include:

- laptops;
- home computers and associated costs;
- home internet connections;
- printers;
- education software;
- trade tools for use at school;
- school text books; and
- stationery.

Example

Sarah and Michael have two children, Petra, who is in secondary school, and Jack, now in grade three.

Sarah and Michael are able to claim 50% of the cost of a \$1 500 laptop computer they bought for Petra, a refund of \$750.

They will also be able to claim Jack's education software and school textbooks up to the value of \$750, receiving a refund of up to \$375.

Where a family has educational costs in excess of the refund limit, these costs can be carried over to the next financial year.

Who is eligible?

Parents entitled to Family Tax Benefit (FTB) Part A for children in primary or secondary school for the relevant financial year are eligible for the tax offset.

In addition, parents may be eligible if they are not entitled to FTB Part A, but would be if not for the fact that the relevant child receives certain payments or allowances (such as Youth Allowance, Disability Support Pension, or ABSTUDY Living Allowance).

The tax offset is normally claimed through the tax return at the end of the financial year.

Ref: Treasurer's media release No.77, 30 June 2008