



EDUCATION TAX REFUND FACT SHEET



Overview

- The Education Tax Refund (ETR) aims to help families, with children undertaking primary or secondary school studies to meet the costs of school education through assistance with certain education expenses.
- Under the Government's ETR, eligible families will be able to claim:
 - a 50 per cent refundable tax offset every year for up to \$750 of eligible expenses for each child undertaking primary school, (that is, a refund of up to \$375 per child, per year); and
 - a 50 per cent refundable tax offset every year for up to \$1,500 of eligible expenses for each child undertaking secondary school (that is, a refund of up to \$750 per child, per year).

Eligibility

- Those entitled to Family Tax Benefit (FTB) Part A in respect of children undertaking primary or secondary school studies for the relevant financial year are eligible for the ETR.
- Generally, eligibility is also extended to parents with school children undertaking primary or secondary school studies who would be an eligible child for FTB Part A purposes, but for the fact that they, on the child's behalf, or the child receives certain payments or allowances, for example:
 - Youth Allowance;
 - Disability Support Pension;
 - ABSTUDY Living Allowance;
 - payments under the Veterans' Children Education Scheme; and
 - payments under the Military Rehabilitation and Compensation Act 2004.
- School children undertaking secondary school studies and who are independent of their parents may also be eligible.
- For families who share the care of a child, the ETR entitlement for the child will be shared similarly to the way FTB Part A is shared.
- The families of students who enter or leave school in any school year will be eligible to claim the ETR for the half of the financial year that the student attended school.
- For students who transition from primary to secondary school in a single financial year the full ETR, based on the secondary-school rate, can be claimed.
- Families with home-schooled students can also claim the ETR. To be eligible, students must be registered with the relevant State/Territory Government.

Eligible expenses

- For the purposes of the ETR, eligible educational expenses are:
 - laptops, home computers and associated costs (including repair and running costs of computer equipment, lease costs, printers and paper),
 - home internet connection;
 - education software;
 - school textbooks and material (including prescribed textbooks, associated learning materials, study guides and stationery); and
 - prescribed trade tools.
- Eligible expenses that have been incurred by a parent or guardian with more than one child with an ETR entitlement can be pooled and claimed against the children's combined ETR entitlement, provided that the children all have access to the purchased items.
- Education expenses in excess of what can be claimed in a financial year (that is, expenses over \$1,500 per annum for a secondary school student or \$750 for a primary school student) are able to be carried over in the following financial year. Eligible expenses that are not utilised for the purpose of claiming the ETR in the financial year that they occurred or the subsequent financial year will automatically lapse.
- The ETR can not be claimed for educational expenses if a tax deduction is allowed or a Commonwealth Government payment/subsidy is payable in respect of that expense.

Commencement of the ETR

- The refundable tax offset applies to eligible expenses incurred from 1 July 2008. Parents cannot claim the offset in their 2007-08 income tax return, but they should start keeping records after 1 July 2008 to enable their ETR claim to be made in their 2008-09 income tax return.

Claiming the ETR

- Parents can simply claim the refund against eligible education expenses incurred from 1 July 2008, when they complete their 2008-09 income tax return.
- Parents and eligible independent students who do not ordinarily lodge an income tax return can also claim the refund through the Australian Taxation Office.
 - For those who are not required to complete an income tax return, a separate form will be available from 1 July 2009 to allow the refund to be claimed for the 2008-09 financial year.

Evidence to support an ETR claim

- Claimants are expected to retain receipts for the purchases of items for which they intend to claim the ETR.

For further information about the Education Tax Refund please visit

www.educationtaxrefund.gov.au or phone the Australian Taxation Office on 13 28 61.