

**Media Release**  
**For immediate release**

August 17, 2009

## Dispelling Education Tax Refund Myths

In light of the global financial crisis, and official Government statistics<sup>1</sup> that reveal the cost of education is exceeding our national CPI, the Education Tax Refund (ETR) comes at an apt time for struggling households.

Etax Accountants Director, Scott Griffin, said while the Education Tax Refund was assisting many households some taxpayers were missing out because they did not understand they could claim the ETR even if they did not pay tax in the last financial year.

“Parents mistakenly believe that they need to have paid tax and lodged a tax return in order to claim the ETR however they can still lodge an ETR form and claim back some of their children’s education costs,” he said.

“This misconception is a result of eligible parents and independent students believing they cannot claim this refund if they have not paid tax and therefore do not need to lodge a tax return and this is simply not true,” said Mr Griffin.

“The fact is that it will be struggling low income earners who may miss out on this and they are the ones who need this the most,” he said.

The Education Tax Refund is a government tax initiative for parents who have children and who also receive the Family Tax Benefit Part A. Eligible parents can claim 50% of education expenses up to \$1500 per high school and \$750 per primary school child.

According to results released by the non-profit organisation Australian Scholarships Group parents can pay up to \$5536 for a primary state school education and \$5938 for secondary. For private school parents, this rises to \$7195 for primary schoolers and \$22426 for secondary school children.

Mr Griffin said in light of these statistics, struggling mums and dads should lodge their tax returns or an ETR claim form this year even if they did not pay tax.

**- Continued -**

---

<sup>1</sup> <http://www.abs.gov.au/Ausstats/abs@.nsf/mf/6401.0>

Taxpayers need to be aware of the following when claiming the Education Tax Refund this year to ensure their tax returns are lodged correctly:

- Taxpayers need to receive Family Tax Benefit Part A in order to claim the ETR.
- If care of a child is shared between parents, then each parent can only claim a percentage of the ETR proportional to the amount of spend by that parent.
- If care of a child is shared between parents, then only the parent who receives Family Tax Benefit Part A can claim the ETR (if both parents receive FTB Part A then both can make the claim)
- Check to see what items you are claiming as not all expenses related to education are eligible and ineligible items can result in a non-compliant tax return.

Mr Griffin said his firm was also discovering one of the biggest mistakes parents were making on the ETR claims this year – claiming ineligible education expenses.

Ineligible expenses are items such as school fees and excursion expenses while eligible expenses include laptops, home internet connection and text books.

“It is important that taxpayers realise what constitutes an eligible education expense and what does not so that they are not lodging a non-compliant tax return,” he said.

If a taxpayer is in doubt about what education expenses are eligible and what are not, they should seek professional advice and further information and clarification before lodging their tax return.

**- End -**

**Contact:**

**Scott Griffin**, Director, Etax Accountants

**P:** 07 3457 5100

**E:** [scott@etax.com.au](mailto:scott@etax.com.au)

**Annie Sen**, Media Manager, Etax Accountants

**P:** 07 3457 5100

**E:** [annie@etax.com.au](mailto:annie@etax.com.au)

*Etax Accountants Pty Ltd is Australia's largest online accounting firm preparing thousands of tax returns every year. Etax Accountants has been offering online tax services since 1998 and provides a low cost way to do a tax return while still getting professional advice. Etax Accountants is based in Brisbane with clients from all over Australia and overseas. Director Scott Griffin is an MBA graduate from the Harvard Business School and also holds a Bachelor of Law. Scott launched [www.etax.com.au](http://www.etax.com.au) with father, Don and brother, Kent over ten years ago.*

**Follow our media updates on Facebook, My Space and Twitter. Here are our details:**

Facebook

Search for Etax Accountants Pty Ltf

Twitter

Click here to follow us <http://twitter.com/EtaxAccountants> or search for EtaxAccountants (no space).

My Space

Click on [www.myspace.com/481909769](http://www.myspace.com/481909769) to add us as a friend.