



Handy tax time tips for sole traders

Avoid these common mistakes and get it right this tax time.

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We know small businesses work hard to get their tax and super right, however we understand mistakes can still happen. If you're a sole trader, you can get ahead this tax time by avoiding these common errors:

- Not reporting all income – this includes income earned outside your business (like a side hustle), cash jobs or payments in-kind /barter deals (like the value of goods or services received in exchange for your work).
- Over claiming expenses – this includes claiming the portion of an expense related to personal use or overstating the cost of goods sold and other business expenses.
- Calculating business losses.
- Incorrectly claiming and offsetting losses from non-commercial business activities against other income sources.
- Claiming PAYG withholding refunds.
- Misreporting personal services income (PSI) to gain tax benefits.
- Not registering for GST if you are in the taxi or ride-sourcing industry or when you reach or expect to reach the GST threshold.
- Not keeping accurate and complete records.


How to stay on track

To help you avoid these mistakes, check out our **Tax Time toolkit for small business**. It includes links to information such as business

income and deductions, to help you get things right.

You can also use the **ATO app** to manage your tax and super. The app has a **myDeductions** tool that helps you capture expenses as they occur.

Unsure what records to keep?

Take our free, self-paced online course on record keeping through [Essentials to strengthen your small business](#) .

Secure your access

If you lodge your tax return through ATO online services, it's the perfect time to review your security to help protect your account. For the most secure way to access ATO online services (through myGov) we recommend **signing in using myID**.


For more information visit [Tax Time toolkit for small business](#) or speak with your registered tax agent.

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