Tax Time 2024

Key changes this tax time, what you can do to prepare, things to consider before lodging, and helpful resources.

Overview of key changes

Be aware of key changes and new measures when completing your clients' tax returns for 2024.

Prepare for tax time

To prepare for tax time, update your client list, check due dates, review security, and notify us of non-lodgments.

Before you lodge

Use these tips and links to help check your client's tax returns before lodging and help avoid delays.

After you lodge

We will keep you informed about the progress of your clients' tax returns and any delays.

TPSG - tax time updates

Tax Time 2024 updates with key messages from the Tax

Tax time toolkits

Use our toolkits as an educational resource to guide conversations with your individual and small business clients.

Forms and instructions

Find our most popular forms and instructions listed below or use search and then refine your results using the filters.

QC 102102

Prepare for tax time

To prepare for tax time, update your client list, check due dates, review security, and notify us of non-lodgments.

Last updated 11 June 2024

To get ready for tax time you should:

- update your client list
- check your clients' lodgment program due dates
- advise us when a return is not required
- review your security to stop fraud and protect your clients.

Under our service commitment we aim to finalise most electronically lodged current year tax returns within 12 business days of receipt.

When setting up appointments with your clients, remind them to provide the information you need to prepare and lodge their tax returns. This includes their:

- personal identification
- Australian financial institution account details
- Medicare card or number

- private health insurance information
- spouse details, including details of their income.

Our service commitment

Our commitments to processing time frames and sharing knowledge during tax time.

Update your client list

How to update your client list to add new clients and remove those you no longer represent.

Check your clients' lodgment program due dates

The lodgment due dates for your clients will be available in Online services for agents by the end of July.

Advise us when a return is not required

How to advise us if your client is not required to lodge a tax return, so we can update our records.

QC 45681

Our service commitment

Our commitments to processing time frames and sharing knowledge during tax time.

Last updated 11 June 2024

On this page

Tax Practitioner Stewardship Group

During tax time, we hold meetings with the **Tax Practitioner Stewardship Group** (TPSG) to:

- discuss any emerging issues
- share our progress
- take on board your ideas.

We publish key messages from these meetings at **TPSG – tax time updates**.

You can also keep up to date with the latest information by subscribing to our weekly **Tax professionals newsletters**.

Tax returns

We aim to finalise the majority of electronically lodged current year tax returns within 12 business days of receipt. This includes both individual and non-individual tax returns.

Tax returns lodged on paper could take up to 50 business days from receipt to be finalised. We encourage you to lodge electronically as the quicker processing will benefit your client.

If a tax return is incomplete, incorrect, needs checking or relates to a prior year, it may take us longer to finalise. In some cases, we will need to contact you for additional information. Find out how to **prevent delays in processing returns**.

Amendments

We will aim to finalise the majority of electronically lodged amendments within 20 business days of receipt. Amendments lodged on paper could take up to 50 business days from receipt to finalisation.

Stay up to date with our progress

We will continue to send you a weekly *Tax return status* report. This will help you keep your clients up to date and reduce unnecessary calls to you or us. You can find out more about what happens **after you lodge**.

For details of our performance measures, see **current year commitments to service**.

QC 45684

Update your client list

How to update your client list to add new clients and remove those you no longer represent.

Last updated 11 June 2024

On this page

How to review your client list

It is important to undertake regular reviews of your client list to add any new clients and remove those you no longer represent.

You can review, add and remove clients from your client list online using **Online services for agents** or the **practitioner lodgment service**.

New clients

Your authority to act on behalf of a new client for lodgment purposes only takes effect from the day we receive notice. To ensure new clients are covered by your **lodgment program** for 2024–25, you must notify us of your authority to act by **31 October 2024**. You cannot notify us on the next business day.

Once you have notified us, you can use Online services for agents to view copies of their:

- **past income tax notices** of assessment from 2004–05 onwards
- tax returns lodged after 2010.

If you accept a new client for income tax purposes after 31 October 2024, you should check the lodgment due date for the client on your client list. If they were previously a self-preparer, they will not be covered by your lodgment program and may need to lodge by an earlier due date.

If your client has one or more prior year tax returns overdue, their due date is **31 October 2024**.

Removing clients

Lodging a final return or completing a non-lodgment advice does not remove the client from your list. For clients you no longer represent, you also need to remove the client via **Online services for agents** or the **practitioner lodgment service**.

Before you remove a client, you **must** remove your contact details from their record to avoid unnecessary contact from us about previous clients. Make sure you remove your practice from all your client's roles.

QC 45687

Check your clients' lodgment program due dates

The lodgment due dates for your clients will be available in Online services for agents by the end of July.

Last updated 11 June 2024

You can check your clients' income tax due dates in **Online services for agents**:

- from the **Client summary screen**
- by requesting the Income tax lodgment status report via **On-demand reports.**

If your clients have one or more prior year tax returns overdue as at 30 June, their current year tax return due date is **31 October**.

If all overdue prior year returns are lodged by 31 October, the current year tax return will be due as per your lodgment program. The updated due date can take up to 3 weeks **after** 31 October to update.

Overdue prior year returns cannot be lodged on the next business day. They must be lodged by 31 October for your client's current year return to be covered by your lodgment program.

If you have clients who have been prosecuted for non-lodgment of prior year returns, then the current year tax return due date may have changed.

Lodgment and payment due dates may change if your client's circumstances change – for example, by the processing of a prior year amendment.

Updating your client list regularly will help your practice to manage client **due dates.**

If your client's due date for lodgment does not display, or you are unsure of your client’s lodgment due date, phone us on **13 72 86** Fast Key Code **1 3 2** for clarification.

Advise us when a return is not required

How to advise us if your client is not required to lodge a tax return, so we can update our records.

Last updated 11 June 2024

Why you need to notify us

Let us know if your client is not required to lodge a tax return for a particular year or future years so we can update our records.

Notifying us will avoid:

- compliance action that may take place once the return becomes overdue
- preparation, lodgment and processing of a nil return.

How to notify us

The best way to advise us that a return or further return is not required is through:

- Online services for agents – see Non-lodgment advice
- Practitioner lodgment service – see Client update.

Remember to notify us **before the due date** if lodgment is not required or further returns are not necessary.

If no further returns are required or you will no longer represent the client, you need to remove the client from your client list.

Low income earners

Remember that even if their income is under the tax-free threshold, some **low income earners may need to lodge**.

QC 45692

Before you lodge

Use these tips and links to help check your client's tax returns before lodging and help avoid delays.

Last updated 11 February 2025

Before lodging your client's tax returns you should consider the following, as processing may be delayed if there are incorrect or incomplete details in returns:

- Understand that a **low income earner may need to lodge** despite their income being below the tax-free threshold.
- Check for **fraudulent payment summaries**.
- Work out how **tax residency status** and **foreign income** affects tax payable in Australia.
- To claim the **Medicare levy** exemption, clients need to obtain a statement from Services Australia.
- Ensure **work-related expense** claims are correct and meet the rules.
- Ensure your clients provide all their income, as we use **data-matching** against third-party data.
- Check whether they have earned income through the **sharing economy**.
- Check and update the **business industry code reported** if the client's business has changed purpose.
- Understand why a client record could be inactive and the circumstances in which we will **reactivate a client record**.

- Use the **pre-filling service** to check information is accurate, understand what data is and isn't available and find out about known data issues.
- Help **prevent delays in processing returns** by checking for common errors before lodging.

Residency tests for tax purposes

Find out about the tests we use to work out residency status for your clients for tax purposes.

Foreign income

Find out what foreign income your clients need to declare on their tax returns.

Medicare levy

What you need to check about the Medicare levy before you lodge your client's return.

Prevent delays in processing returns

Find out how to prevent delays in processing tax returns and when longer processing times may occur.

Low income earners may need to lodge

If your client's taxable income is under the tax-free threshold, they may still need to lodge a tax return.

Data matching

Ensure your clients provide all their income when lodging their

Sharing economy

If your clients are engaged in the sharing economy, include their income and deductions in their tax returns.

Business industry code reporting

If a client's business has changed purpose over time, update the business industry code when lodging their tax return.

Reactivating inactive client records

Information about inactive clients and the circumstances in which we will reactivate a client record.

QC 45696

Residency tests for tax purposes

Find out about the tests we use to work out residency status for your clients for tax purposes.

Last updated 12 June 2023

The tests we use to work out residency status for your clients for tax purposes are not the same as residency tests used by other Australian agencies for other purposes, such as immigration.

Advise your clients that if they reside in Australia for less than 183 days in a financial year, they may still be a **resident for tax purposes**.

To help you and your clients understand their residency for tax purposes, use our online tool **Are you a resident?** to determine your client's situation.

Remember:

- The **183-day test** only applies to individuals arriving in Australia.
- There are separate rules for **working holiday makers**.
- Individuals who are dual residents benefit from **tax treaties**.

Refer to scenarios in **Australian and foreign residents examples**.

QC 45699

Foreign income

Find out what foreign income your clients need to declare on their tax returns.

Last updated 11 June 2024

On this page

Foreign income sources

Your clients must declare all income they receive from foreign sources during the financial year in their tax returns.

Foreign and worldwide income includes:

- business income
- foreign employment income
- most pensions and annuities (including from managed funds)
- income streams from super funds
- bank interest
- dividends

- royalties
- rent
- capital gains
- personal services income.

Reporting foreign income

Help your clients get their tax returns right by advising them that:

- in some instances, they must include foreign income amounts that are attributed to them under Australian tax laws, even when the amounts are not actually received by them
- certain foreign employment income is exempt from tax in Australia, but they may still need to include it in their tax returns
- if they paid foreign tax in another country on income they received, they may be entitled to an Australian foreign income tax offset that stops them paying tax twice.

For tax residency and what to report, see **Coming to Australia or going overseas**.

Exchange of data

The amount of data we exchange with other countries has increased. This includes data we get through international agreements and the Australian Transaction Reports and Analysis Centre (AUSTRAC).

Financial data is exchanged automatically using the **Common Reporting Standard**.

QC 45701

Medicare levy

What you need to check about the Medicare levy before you lodge your client's return.

Published 11 February 2025

If your client is claiming the **Medicare levy exemption** they will need to obtain a Medicare Entitlement Statement from Services Australia before lodging their tax return. They need to complete this form each year they wish to claim the exemption.

If your client does not qualify for an exemption, they will be subject to a **Medicare levy** of 2% of their taxable income. This applies regardless of whether or not they have private health insurance.

In addition to the Medicare levy, your client may have to pay the **Medicare levy surcharge**. This applies if their household income is above the relevant threshold and they do not have the appropriate private patient hospital cover for any period during the financial year.

Note: The net medical expenses tax offset was abolished from 1 July 2019.

QC 103810

Prevent delays in processing returns

Find out how to prevent delays in processing tax returns and when longer processing times may occur.

Last updated 11 June 2024

On this page

What may lead to delays

We process most electronically-lodged tax returns within 12 business days and strive to maintain **our service commitment**. However, longer than standard processing times occur when:

- we need to cross-check data with other government agencies (including Services Australia – Centrelink and Child Support)
- your client has a debt with us
- your client is insolvent
- a tax file number (TFN) has been compromised
- we have queries about information provided in a tax return.

When these situations arise, we usually need to review the details. If necessary, we will adjust the tax return or contact you.

Please be aware that we cannot prioritise the processing of a lodgment unless your client is experiencing serious hardship. For more information, refer to **Requesting priority processing**.

Avoid common errors

Common errors that may delay the processing of a tax return include:

- Providing incorrect information – for example, private health insurance policy details do not match.
- Lodging duplicate returns for the same year – if your client has already lodged their tax return and needs to correct a mistake, you must request an **amendment**. It is best to wait for the original lodgment to complete before lodging an amendment.
- Repeating information – if you have already declared information at a previous question then there is no need to repeat it as additional information.
- Including information from a prior year return that is not relevant for the current year return – when you roll over details from a previous year's return in your software, make sure you delete information that is no longer relevant (including additional information).

Omitting income

You should wait for the **pre-fill report** to become available before lodging clients' tax returns. This will ensure you do not omit any income and help avoid processing delays.

We cross-check information provided by third parties to ensure all income is declared on a tax return. If we identify a discrepancy, for example where interest has been omitted, we will adjust the return with the information provided. We may phone you to confirm the discrepancy, which can delay processing.

2021–22 income year

You may have clients that received additional government payments in the 2021–22 financial year, such as JobSeeker. These payments will be available in the pre-fill report and need to be included in your client's tax return.

2020–21 income year

If your clients received the **COVID-19 Disaster Payment** due to the Greater Melbourne lockdowns in the 2020–21 income year, this payment has been reclassified as non-assessable non-exempt income. If you've already lodged your client's' tax return, you will need to lodge an amendment.

Getting the tax return right the first time will avoid delays, penalties, interest and repayments.

Client details don't match our records

Before lodging your clients' tax returns:

- **confirm** details with your client – particularly their name, addresses, TFN and date of birth
- **compare** their details with those on our systems
- **update** any incorrect details.

If you transfer details from a previous year's tax return, ensure the details in your software are correct before lodging.

When lodging tax returns for multiple years (even if you are lodging them on or around the same day) ensure your clients' details are correct on all returns.

For more information, see Updating client details.

Providing additional information

Including **unnecessary** additional information in a tax return will delay processing as we need to check the information you provide.

Information you should include

- **Requests for advice** that directly affect the calculation of tax for that specific tax return, such as
  - querying if an item in the return is eligible for inclusion as taxable income
  - determining if private binding rulings relate to this return.
- **Details we request to be included** as additional information, for example, when a client
  - contributed to more than one super fund or retirement savings account
  - is not an Australian resident and intends to claim a credit that the trustee has paid on their share of income from a resident trust.
- **Software problems** – include details of information you cannot enter at a particular field or label, including the value and field or label names.
- **Foreign income**
  - net foreign income from a tax treaty country
  - foreign income tax offset to be calculated by us.

Information you should not include

- Information that is not relevant to the outcome of the income tax assessment.
- Information you have carried over from the previous year, unless it is current for the tax return being lodged.
- Information such as personal details (for example, family breakups) or work-related expenses.

- Written notes (such as 'final', 'nil return', 'please issue a notice of assessment', 'minutes', 'statement of distribution', 'other') or any numeric symbols.
- Information that is already included elsewhere in the tax return.

Tips for specific subjects

See a summary of what to include and what to leave out for:

- Primary production
- Lump sum payment in arrears
- Non-residents
- Private health
- Rental information

Primary production

Include elections to withdraw from primary production averaging provisions. An election must be made in the year of the tax return when your client first wants to withdraw. Include the date of withdrawal and quote section 392–25 to apply.

Include special or taxable professional income (or both) for primary producers when averaging details have not been applied in the previous year or years.

Leave out averaging provisions that have been applied correctly in previous years.

Lump sum payment in arrears

Include the amount of the lump sum and the breakdown of the amount of payment in arrears for each income year involved. This is required to correctly calculate a tax offset (if eligible). This applies to lump sum payment in arrears (LSPIA) on tax returns at either:

- **Q7** labels **Y** or **Z**
- **Q24** label **Y**.

For further detail on what to declare and what to leave out in these labels, refer to **Lump sum payments in arrears tax offsets**.

Non-residents

Part-year resident and **non-resident** clients with interest and dividend income should:

- **Include**
  - details of amounts for interest and unfranking dividend income
  - the country of residency, where unfranking dividends are to be returned. This will ensure the correct rate for the dividend income is applied.
- **Leave out**
  - dates of entry and exit for the 'Australia client resident under 183 days' test.

Full year non-residents should **include** interest and unfranked dividend income for the individual tax return at:

- gross interest item **10** label **L**
- unfranked dividends item **11** label **S**.

If the unfranked dividend income is not under an international agreement, then a rate of 30% is applied automatically by our system. If the rate is 15%, then include either your client's:

- overseas postal or residential address
- country of residence.

Private health

Leave out:

- If the name of an Australian private health insurance fund is not on the drop-down list, select **Other – ATO use only**. It's not necessary to include details in additional information.
- As overseas funds are not eligible for the tax offset, do not include these details or any reference to them or make a private health insurance rebate claim.

Rental information

Leave out:

- information that the rental property did not derive an income

- information that the rental property is now the owner’s own home
- the date the rental property was sold
- general information regarding rental income, expenses or property.

Rental information can be included if there is specific information not shown in the tax return or the *Rental property schedule* that affects the calculation of that specific return.

QC 45697

Low income earners may need to lodge

If your client's taxable income is under the tax-free threshold, they may still need to lodge a tax return.

Last updated 11 June 2024

On this page

When you need to lodge

Common reasons for needing to lodge a tax return, despite the client's income being under the tax-free threshold, include the client:

- had pay as you go (PAYG) withheld from payments received during the year
- had a reportable fringe benefits amount on their income statement or PAYG payment summary

- had reportable employer superannuation contributions on their income statement or PAYG payment summary
- made a loss or can claim a loss made in a previous year
- was an Australian resident for tax purposes and had exempt foreign employment income and $1 or more of other income
- was entitled to the private health insurance rebate but did not claim their correct entitlement as a premium reduction
- was a certain parent liable for, or entitled to, child support for at least one day in the year, unless both of the following applied
  - they received one or more Australian Government allowances, pensions or payments (listed on the *Individual tax return instructions 2024* at **question 5** or **question 6)** for the whole year
  - their income was less than $28,464.

If you're not sure whether to lodge

If you're unsure whether to lodge, refer to **Do you need to lodge a tax return? 2024**.

QC 45698

Data matching

Ensure your clients provide all their income when lodging their tax return early as we match it with third-party data.

Last updated 3 June 2024

On this page

What to include in tax returns

Expanding our data matching

Third-party data sources

We're committed to helping taxpayers get it right and protecting public funds from fraud and deliberate non-compliance. We use third-party data for a range of activities, including data matching.

We receive information from a variety of third-party sources, including:

- employers
- financial institutions
- companies
- private health funds
- businesses
- government agencies.

Prior to processing any tax return, your client's claims will be assessed against available data and information we have a high level of confidence in through **data matching**.

This ensures that taxpayers declare all of their income, offsets and exemptions correctly to reduce errors and **prevent delays in the processing of tax returns**.

Using pre-filled and third-party data

Most third-party data is **pre-filled** into taxpayer returns. Pre-filled data is available from early July, with most data finalised by the end of July. Some data may be received later, like trust distributions and employment data.

If you need to query an amount that has been pre-filled into your client's tax return, you can **contact us**.

If you change pre-filled information when you lodge a tax return or our data does not match the information you have entered for your client, we may adjust the claim based on our data and information.

We may contact you to ask why the pre-filled data in your client's tax return has been changed.

Where a lodgment has been adjusted and you and your client disagree with this decision, you can contact us to initiate a review on your client's behalf.

We'll always give you the opportunity to have this decision reversed if you can substantiate the original claim.

What to include in tax returns

Take extra care when preparing your clients' tax returns at the start of the financial year, ideally once their pre-filled data has been completed. Remind your clients they need to provide all the necessary information, including income or tax not already pre-filled (for example foreign income or partnership or trust income).

Some government payments are taxable but not pre-filled, such as pandemic leave and natural disaster payments. You will need to add these manually.

Clients with a spouse will need to provide a reasonable estimate of their income. This will enable an accurate assessment of their private health insurance rebate and any Medicare levy surcharge to be determined.

Expanding our data matching

Over recent years, we've become more sophisticated in our approach to data matching and how we utilise this information to help taxpayers get it right.

In 2021–22, we enhanced pre-filling bank interest. A 'certainty indicator' now appears where we have a high level of confidence your client received the bank interest as supplied by their financial institution. If the interest income does not belong to your client, you can adjust the amount but must provide a reason.

We continue to expand our reach and source high quality third-party data from other sources. This includes areas such as:

- crypto asset transactions
- sharing economy – accommodation providers

- property management reports
- novated lease vehicle information.

QC 45703

Sharing economy

If your clients are engaged in the sharing economy, include their income and deductions in their tax returns.

Last updated 11 June 2024

On this page

Sharing economy activities

The **sharing economy** is economic activity undertaken through a digital platform (such as a website or an app) where people share assets or services for a fee.

Sharing economy activities include:

- ride-sourcing (also known as ride-sharing), which is transporting passengers for a fare
- renting out all or part of a house or unit on a short-term basis
- sharing assets, such as
  - personal assets, like boats, cars or caravans
  - storage or business spaces, like car parking spaces or offices
  - personal belongings, like tools or sports equipment

- providing services, such as
  - delivering goods, like food or parcels
  - performing tasks and activities for other people, like odd jobs, cleaning or running errands
  - providing professional services, like web or trade services.

See details of the **income and deductions** you should include in tax returns.

Digital platforms

If your clients provide goods or services through digital platforms, consider how income tax, goods and services tax (GST) or any other tax applies to their earnings.

Ride-sourcing services

If your clients are providing **ride-sourcing** services, regardless of how much they earn they may need to both:

- get an Australian business number (ABN)
- register for GST.

QC 49118

Business industry code reporting

If a client's business has changed purpose over time, update the business industry code when lodging their tax return.

Last updated 11 June 2024

On this page

Updating a business industry code

Many businesses change purpose over time. This tax time, take the opportunity to check that your clients' business industry codes are correct and update if necessary.

Use the **Business industry code tool** to check what your client's business industry code should be.

If it needs updating:

- enter the new code in their next tax return
- change the code on the Australian Business Register.

Operating multiple businesses

For clients operating more than one type of business:

- select the **main** business activity
- indicate they operate multiple businesses at the relevant label in their tax return.

Keeping codes current

Having the right code in your clients' tax returns can:

- stop us contacting you and your clients unnecessarily
- prevent delays in processing tax returns
- ensure your clients are not incorrectly identified for compliance activities
- ensure businesses receive the information and advice relevant to their business activity.

Once you have the correct codes, you can use the **small business benchmarks** to see how your clients' businesses compare against their competitors.

If your client’s industry is not represented in our benchmarks, you can use the information in Taxation statistics.

QC 45704

Reactivating inactive client records

Information about inactive clients and the circumstances in which we will reactivate a client record.

Last updated 3 July 2020

> ### On this page
>

Inactive clients are clients who no longer need a tax file number (TFN) or other ATO-issued identifier. Individual and non-individual clients can be identified as inactive and have their record secured.

Individual clients are usually identified as inactive when either they:

- are deceased
- have departed the country and their visa has expired.

Non-individual clients are usually identified as inactive when either they:

- are deregistered
- are wound up
- have ceased business.

Internal and external information is available to identify a client as inactive. Data may be included from other government agencies, departments, clients or their representatives. For example, the Australian Securities and Investments Commission (ASIC) website can be accessed. This is to confirm the ASIC registration status of a company client.

When a client has been identified as inactive, a treatment is applied to the client record to secure it and prevent improper or fraudulent use. This treatment prevents online interactions with the affected client record.

Reactivating an inactive client record

Inactive client records are able to be reactivated for a range of reasons, including:

- client has returned from overseas and needs their TFN to interact with
  - us
  - other government agencies
  - financial institutions
  - educational institutions
  - to apply for an Australian business number (ABN)
- to process a departing Australia superannuation payment (DASP)
- non-individual entity has resumed operations
- final tax return of a departed person needs to be lodged and processed
- final tax return of a deceased person – where the date of death tax return is to be lodged and processed. **Note:** Only authorised Legal personal representatives can access a deceased person's information. See **Accessing a deceased person's information**.

If your client has an inactive client record, you can phone us on **13 72 86** Fast Key Code **1 1 3** and request reactivation.

To reactivate your client's account, you will need to:

- sight documents that authenticate your client's identity
- reactivate the record
- transact electronically on behalf of your client.

Once a company is deregistered, it ceases to exist. This means you can't update the company's records with us or lodge tax forms on behalf of the company. Lodgments received after the date of deregistration are invalid and will be cancelled. We can't disclose confidential information about the company to you or other formerly authorised contacts. Your clients can apply to ASIC to have the company reinstated. If ASIC approves the reinstatement, tax forms can be lodged and processed.

See also:

- Deregistering a company
- Changing, selling or closing your business – things to consider
- ASIC – Closing your company

Client record validation

When a record is reactivated, we may take further action to confirm and validate details by checking your client's personal information. This may include:

- sources and amounts of income claimed
- employer and employee records to confirm no fraudulent activity has occurred
- Department of Home Affairs records to confirm that they are in Australia
- births, deaths and marriages registries records for current details and identity confirmation
- compliance history.

After you lodge

We will keep you informed about the progress of your clients' tax returns and any delays.

Last updated 2 September 2024

Processing times

We aim to process most electronically lodged current year tax returns within 12 business days.

If you can't lodge electronically, lodging a paper tax return can take up to 50 days for us to process manually. Find out how to **prevent delays in processing returns**.

Provide this information to your clients to manage their expectations about when they will receive their notice of assessment.

For more information, see **our service commitment**.

Checking the status of a tax return

We will keep you informed about the progress of your client's tax returns, and any delays, so your clients will know to expect their notice of assessment.

We let you know about the progress of your client's tax returns in several ways, including:

- Tax return processing
- Online services for agents

- Notice of assessment
- Other electronic communication to clients.

Tax return processing

Weekly status reports

If there are processing delays with your client's electronically-lodged tax returns, we'll email you a weekly report. The report will provide details of what may be causing the delay.

Your clients will first appear on the Tax Return Status report 26 days after lodgment. The report includes all clients with delayed returns, up to one year from date of lodgment.

Management of 'lodged' status delay for specific client types

Despite receiving a lodgment reference number (LRN) from the practitioner lodgment service, in some cases the **status** of your client's return won't appear as 'lodged' in Online services for agents for up to 28 days.

While the overall number of tax returns affected are low, practices with a large number of specific client groups can experience a higher overall impact.

The 'lodged' status may be delayed when:

- specific client groups, including high wealth individual, partnerships, trusts or consolidated groups, enter a substituted accounting period (SAP)
- agents lodge early using a previous year's income tax return
- a client account/role or a client-to-agent link issue occurs.

We have a process in place to:

1. identify income tax lodgments relating to client types that should display a 'lodged' **status** in Online services for agents
2. update these lodgments to show a 'lodged' **status** within 28 days.

If the 'lodged' status hasn't appeared after 28 days, you should phone the Tax or BAS agent phone service and quote the LRN. If multiple income tax returns are affected, submit a Tax practitioner assistance form and attach a bulk client list of impacted income tax returns.

Online services for agents

You can view the lodgment and progress of your client’s tax returns in Online services for agents. At **Client summary** select **Lodgment** then **Income tax** then **History**.

Your client's tax return **Outcome** will only be visible online after the tax return has been processed and the assessment amounts are dispersed to your client’s accounts.

Even when the issue date and assessment amount become visible, they are both subject to review and change until the notice of assessment has issued.

As we process your client’s tax return, the **Status** and **Outcome** in Online services for agents may differ from the details provided in the tax return status report For more information about Online services for agents status reasons, go to Checking the progress of a client's tax return.

Watch: Checking the progress of a return

Media:Tax return processing
http://tv.ato.gov.au/ato-tv/media?v=nixx79jdgbubjw

Notice of assessment

You can view a client's notice of assessment in Online services for agents. At **Client summary** select **Lodgment** then **Income tax** then

History.

You can also view the client's notice of assessment in **Communication history**.

For more information, see Your notice of assessment.

Other electronic communication to clients

If your client has created a myGov account that is linked to the ATO, they will receive their notice of assessment, tax receipts and most communication from us electronically via their myGov Inbox.

Communications sent to your clients via their myGov Inbox will not be sent to you in paper form. You can view those communications in Communication history in Online services for agents.

You can choose where our digital communications are sent using Communication preferences in Online services for agents.

QC 45689

TPSG – tax time updates

Tax Time 2024 updates with key messages from the Tax Practitioner Stewardship Group.

Last updated 11 June 2024

During tax time, we meet regularly with members of the Tax Practitioner Stewardship Group (TPSG) to share progress updates, emerging issues and ideas.

You should review key messages from meetings as they're provided.

For more information on what's new and what's changed, see Tax Time 2024.

We also provide year-to-date tax time lodgment statistics.

Tax Time 2024 update – 20 August

Key messages and themes from the Tax Practitioner Stewardship Group (TPSG) tax time meeting held on 20 August 2024.

Tax Time 2024 update – 6 August 2024

Key messages and themes from the Tax Practitioner Stewardship Group (TPSG) tax time meeting held on 6 August 2024.

Tax Time 2024 update – 23 July

Key messages and themes from the Tax Practitioner Stewardship Group (TPSG) tax time meeting held on 23 July 2024.

Tax Time 2024 update – 16 July

Key messages and themes from the Tax Practitioner Stewardship Group (TPSG) tax time meeting held on 16 July 2024.

Tax Time 2024 update - 9 July

Key messages and themes from the Tax Practitioner Stewardship Group (TPSG) tax time meeting held on 9 July 2024.

Tax Time 2024 update – 2 July

Key messages and themes from the Tax Practitioner Stewardship Group (TPSG) tax time meeting, held on 2 July 2024.

Tax time lodgment statistics

Tax time lodgment statistics as at 27 March 2025.

QC 41004

Tax Time 2024 update – 20 August

Key messages and themes from the Tax Practitioner Stewardship Group (TPSG) tax time meeting held on 20 August 2024.

Published 26 August 2024

On this page

ATO systems and digital services

Overall, our system health is tracking well, and activities are processing as anticipated. The waiting room for Online services for individuals has not been required in the past few weeks.

There was some slight degradation to the Australian Business Register (ABR) on Thursday 15 August 2024, which was quickly remediated.

Tax return processing and phone services

The high demand in our call environment has steadied, with call volumes on the registered agent phone line down by 9% from last year.

Approximately 5.8 million individual 2024 tax returns have been lodged since 1 July 2024, which is an increase of around 1% compared with the same time last year. Of these:

- Self-prepared – 3.2 million, around a 4% increase compared with the same time last year.

- Agent prepared – 2.4 million, around a 1% decrease compared with the same time last year.

Note: The figures above are rounded, at a point in time and subject to change.

Refunds are processing as expected. The overall volume of refunds has decreased, and the value of the average refund has increased compared with the same time last year.

Marketing and Communication

Our current communications focus is on promoting tax time tips for sole traders, emphasising the importance of:

- correctly reporting business income and expenses
- calculating business losses
- how and when to apply non-commercial loss rules to offset the loss against other income
- reporting personal services income (PSI).

Other communications include:

- Promotion of a range of support tools such as the small business tax time toolkit, the ATO app and the myDeductions tool within the app, as well as the online learning resource Essentials to strengthen your small business.
- Promoting the differences between share investing and share trading, and how it can make a difference to a client's tax situation.
- Highlighting that if employers missed the most recent 29 July due date for quarterly SG contributions, they need to get their super obligations back on track by lodging a Super Guarantee Charge (SGC) statement and paying the SGC to the ATO by 28 August.
- Clarification that the change to indexation rates for study or training support loans is not yet law – if your clients have study loans, don't wait for the law to change, lodge their tax returns as normal.
- Promotion of Scams Awareness Week, which is an annual reminder to check how 'scam aware' your business is. This year's theme is 'Share a story, stop a scam'.

- The Tax Professionals newsletter will cover topics including steps to support you and your clients with the NFP self-review return, a call out to join the Property and Construction Stakeholder Relationship forum, advice on correctly calculating CGT, changes to the way the myGovID screen looks, R&D tax incentive reporting starts in September, how to view and print a Notice of Assessment and record keeping tips for clients investing in crypto assets.

Reminders were issued about the importance of agents including their clients' preferred financial institution details (FID) on all lodgments. Whilst not a mandatory field when lodging through practice management software, failure to include FID results in any existing details on the client account being end-dated. This could result in future payments issuing via cheque.

This was the final meeting for the TPSG tax time 2024 meeting series. Thank you to TPSG members for your time and valued contributions.

Useful links

- Tax Time 2024
- Overview of the key changes
- Support for your practice
- The Tax practitioner assistance (TPA) service
- TPSG tax time updates
- Tax time lodgment statistics

QC 102962

Tax Time 2024 update – 6 August 2024

Key messages and themes from the Tax Practitioner Stewardship Group (TPSG) tax time meeting held on 6

August 2024.

Published 9 August 2024

On this page

ATO systems and digital services

Overall, our system health is tracking well and activities are processing as anticipated. The waiting room for Online services for individuals has not been required in the past few weeks.

Tax return processing and phone services

The high demand in our call environment has steadied, with call volumes on the registered agent phone line down by 3% from last year.

Approximately 4.4 million individual 2024 tax returns have been lodged since 1 July 2024, which is around 1% increase compared with the same time last year. Of these:

- Self-preparers – 2.8 million, around 3% increase compared with the same time last year.
- Agent prepared – 1.6 million, around 5% decrease compared with the same time last year.

Communications on when to lodge

We have encouraged taxpayers not to rush to lodge their tax return and that it's best to wait until late July when most pre-fill information is available. Data shows that those who choose to lodge early are twice as likely to have their refunds or returns delayed as there is a higher chance of missing information, especially where there are multiple sources of income.

Marketing and communication

Our current communications focus is on encouraging taxpayers and agents to start lodging as most pre-fill data is now available.

Other communications include:

- a media release encouraging taxpayers to consider what work-related expenses they will be looking to claim in the new financial year and what records they will need to substantiate those deductions
- promotion of resources available in over 20 languages other than English, including
  - guides on good record keeping and work-related expenses
  - support when lodging a tax return
- the latest video for tax professionals, focusing on the importance of declaring all income sources in their clients' tax returns
- promotion of the ATO Open Forum event on 20 August, with topics including
  - eInvoicing
  - client-to-agent linking
  - an update from the Tax Practitioners Board on the expansion of the Code
- promotion of the fuel tax credit calculator as an easy way to work out the amount of fuel tax credits that can be claimed each BAS period
- the Tax Professionals newsletter, which will cover topics including
  - strengthening foreign resident capital gains tax rules
  - the expanded Tax Practitioner Board (TPB) code obligations
  - what to do if you disagree with an ATO decision
  - a reminder that Taxable payments annual reports (TPAR) are due on 28 August

- that the ATO is writing to employers who haven't yet finalised their Single Touch Payroll (STP) data.

Reminders were issued about:

- tax agents
  - checking the pre-fill reports in Online services for agents
  - talking to clients about the disposal of shares to assist in correct reporting of any related capital gain, loss, exemption or rollover
- alcohol and fuel excise duty rates increasing on 5 August (in addition to the increase on 1 July).

Next meeting

Next meeting: Tuesday 20 August 2024.

Useful links

Some useful links are:

- Tax Time 2024
- Prepare and lodge – Overview of the key changes
- Support for your practice
- Tax practitioner assistance (TPA) service
- TPSG tax time updates
- Tax time lodgment statistics

QC 102880

Tax Time 2024 update – 23 July

Key messages and themes from the Tax Practitioner Stewardship Group (TPSG) tax time meeting held on 23 July 2024.

Published 5 August 2024

On this page

ATO systems and digital services

Overall, our system health is tracking well, and the waiting room for Online services for individuals haven't been required in the past week.

Tax return processing and phone services

In the past week we experienced the highest volumes of calls to date this tax time. There are less calls on the registered agent phone line compared with the same time last year.

Approximately 3 million returns have been lodged since 1 July 2024, which is around 1% increase compared with the same time last year.

Noting it is still early in the lodgment period, the volume of refunds is down, and the average refund amount has increased compared with the same time last year.

Marketing and communication

Current ATO communications focus is on encouraging taxpayers and agents to start lodging as most pre-fill data is now available, a reminder about our online progress of return checking tools, and content across a range of channels to help people understand their tax assessments.

Other current communications include:

- the top 5 working from home questions – to assist in getting claims for work-from-home deductions right, covering eligibility, rates and records that need to be maintained.

- a video for tax agents on how to view your clients 'Single Touch Payroll income statement' in Online services for agents.

The Tax Professionals newsletter will cover topics such as how the Tax Practitioners Board (TPB) will soon be starting a personal tax obligation compliance program, what to do if a 'Nil' BAS still needs to be lodged on time and how the non-arm's length income and capital gains tax provisions interact to determine the amount of statutory income that is non-arm's length income.

Reminders were issued about:

- quarterly activity statements due on 28 July, encouraging on-time lodgment and payment and reminding businesses they may get extra time to lodge and pay if they lodge online or through a tax or BAS agent.
- the small business tax time toolkit – a useful resource for agents to share with small business clients that contains fact sheets and detailed information on eligibility for new measures.
- requirements for rental property owners to include the gross amount of rent in the year their tenants paid it, not the net amount their property manager sends to them – also mentioned is the need to report each owner's share of rent according to their legal ownership.

Small business

Further courses have been added to the Essentials to strengthen your small business online learning resource. The ATO encourages small businesses, educators and tax professionals to share and use with their staff, students and clients.

Given the progress of Tax time 2024, TPSG Tax time meetings will be held fortnightly.

Next meeting: Tuesday 6 August 2024.

Useful links

- Tax Time 2024
- Overview of the key changes

- Support for your practice
- The Tax practitioner assistance (TPA) service
- TPSG Tax time 2024 key messages
- Tax time lodgment statistics

QC 102826

Tax Time 2024 update – 16 July

Key messages and themes from the Tax Practitioner Stewardship Group (TPSG) tax time meeting held on 16 July 2024.

Published 25 July 2024

On this page

ATO systems and digital services

Overall, our system health is tracking well, and the waiting room for Online services for individuals haven't been required in the past week.

On 17 July 2024, around 1 million users logged into the online systems over the day, with higher volumes of users between mid-morning and midday.

Tax return processing and phone services

The high demand in our call environment has steadied, with call volumes on the registered agent phone line down by 7% from last year.

Approximately 2 million returns have been lodged since 1 July 2024, which is around 1% increase compared with the same time last year.

- Self-preparers – 1.5 million, around 8% increase compared with the same time last year.
- Agent prepared – 500,000, around 3% decrease compared with the same time last year.

By 15 July 2024, 90% of employers have finalised their Single Touch Payroll (STP) income tax statements, around 12% increase on last year.

Marketing and communication

Current ATO communications focus is on the support options available when individuals are ready to lodge their tax return. This includes the tax help and tax clinics services, the assistance available in using a registered tax agent, as well as support for first nations, and culturally and linguistically diverse taxpayers.

Other current communications include:

- The second Tax Time 2024 video is focused on the preparations clients can make ahead of meeting with their tax agent to discuss their tax return lodgments.
- Highlighting that Not-for-profit (NFP) entities that don't have an ATO approved substituted accounting period (SAP) can lodge their NFP self-review return based on their purpose, and activities undertaken in the year ending 30 June 2024. NFPs may not need to apply for an ATO approved SAP before they lodge their 2023–24 NFP self-review return.
- Helping to keep your employer clients up to date with their super obligations.
- Information about the ATO’s updated Division 7A calculator and decision tool for 2024–25.

Reminders about:

- How to treat repairs and capital expenses for rental properties with some handy tips on correctly categorising deductions for repairs and improvements made to rental properties.

- What expenses small businesses can claim and what records they need to keep when claiming home-based business and motor vehicle deductions.
- How to check annual lodgment performance through Online services for agents (OSFA), and how to generate the ‘to do’ list of income tax returns (via the Income tax lodgment status report).

Small business

Our 2024 Tax Time toolkit for small business is now available and includes links to useful information, tools, calculators, learning resources and other support and services, as well as updated factsheets. For more information see **Tax Time toolkit for small business.**

Useful links

The following are useful links:

- Tax Time 2024
- Overview of key changes
- Support and helpful information for your practice
- Tax practitioner assistance
- TPSG – tax time updates
- Tax time lodgment statistics

QC 102802

Tax Time 2024 update - 9 July

Key messages and themes from the Tax Practitioner Stewardship Group (TPSG) tax time meeting held on 9 July 2024.

Last updated 22 July 2024

On this page

ATO systems and digital services

Overall, our online system health is tracking well.

There have been some instances of degradation to Online services for agents over the past week, resulting in deployment of the waiting room for Online services for individuals to increase network capacity. Additional capacity has been made available within the network that should reduce further instances of Online services for agents degradation.

We were advised of some isolated instances of agents being moved to the waiting room from within Online services for agents. This issue has been resolved.

Tax return processing and phone services

The high demand in our call environment has steadied, with call volumes on the tax agent line down by 7% from last year. Around 830,000 returns have been received since 1 July 2024 and the safety net has now been lifted with tax returns processing as expected. It is too early in the tax time cycle to discern any meaningful trends on lodgment channel and volumes.

Single Touch Payroll (STP) income tax statement finalisations are up around 30% compared to the same time last year.

Communications on when to lodge

We are encouraging taxpayers not to rush to lodge their tax return and that it’s best to wait until late July when most pre-fill information is available. Data shows that those who choose to lodge early are twice as likely to have their refunds or returns delayed as there is a higher chance of missing information, especially where there are multiple sources of income.

Marketing and communication

Current ATO communications continue to focus on the 'wait for pre-fill before lodging' messaging across all channels. As most pre-fill becomes available and refunds start issuing, communications will shift to how to check the progress of returns, encouraging the use of self-help tools.

Other current communications include:

- reminders that the income tax cuts don't apply to the 2023-24 tax return
- the importance of keeping accurate records and reminding agents to ensure their clients do have records to substantiate their claims
- that there is updated web content for the **Small business energy incentive** including eligibility requirements and how to claim
- that the statutory due date for STP finalisation is 14 July; however, as this falls on a weekend this year, lodgments are due the following business day, 15 July
- that super guarantee contributions need to be paid in full, to the right fund, by 28 July
  - for the quarter ending 30 June, the 11% rate should be used for payments made before 1 July
  - the new rate of 11.5% applies from 1 July
  - the super contributions made for employees are only considered paid when the super fund receives them
- BAS and tax agents are invited to register for the next ATO open forums. The next session is on 31 July 2024 from 11:00 am to 12.30 pm AEST.

Useful links

Useful links are:

- **Tax Time 2024**

- Overview of the key changes
- Support for your practice
- The Tax practitioner assistance (TPA) service
- TPSG tax time updates
- Tax time lodgment statistics.

QC 102798

Tax Time 2024 update – 2 July

Key messages and themes from the Tax Practitioner Stewardship Group (TPSG) tax time meeting, held on 2 July 2024.

Published 17 July 2024

On this page

ATO systems and digital services

- 1 July saw significant demand for our online services. Some degradation (slower than expected response times in Online services for agents) was experienced, which was improved throughout the day by implementing the waiting room for Online services for individuals. The issue was fully resolved by 2 July with no further degradation reported by BAS and tax agents.

- We identified an issue where the pre-fill report low confidence indicator message isn't displaying (the indicator will display but the message that prompts you to check the data does not generate). The issue is expected to be remedied in the coming days. We will provide an update as soon as the issue is resolved.
- When reviewing your client's interest, income pre-fill data and the certainty indicator is blank, the following message is not showing: 'You may wish to check pre-fill availability to see if your client's financial institution has reported interest income data to the ATO'. A fix is scheduled to be deployed on 20 July 2024.
- There is a known issue preventing not-for-profit entities (NFPs) and tax agents from accessing and successfully lodging the NFP self-review return in Online services for business, Online services for agents, and the Self-help phone service. The issue is expected to be remedied in the coming days. We will provide an update as soon as the issue is resolved.

Tax return processing and phone services

- Whilst lodgments are being successfully received, we continue to undertake processes to ensure returns are processing as expected before being released.
- There is very high demand on our telephone support centres. Call blocking has been used to help manage demand for the individual enquiries line (no call blocking has been used on the registered agent phone line or the myGovID enquiry line).
- The tax agent **service commitment** will be updated on our website to reflect that we answer 40% of calls to the registered agent phone line within 7 minutes (noting that we've been operating to this commitment timeframe and meeting it successfully for the last 12 months).

Changes to the refund certainty SMS

We've previously issued 2 SMS messages to taxpayers after they've lodged their tax return; the first was to advise them when their tax return had been processed, and a second message on the day a refund amount was paid.

We will no longer be sending the first of the 2 SMS messages. This decision was made due to the prevalence of unsolicited SMS messages and it becoming increasingly difficult to distinguish a scam message from a legitimate one.

TPSG members were invited to provide feedback on the approach and noted no concerns.

We will monitor and reconsider the new approach in the event of unintended consequences or impacts.

Marketing and Communication

Tax time focuses for this fortnight's communications and media activities include:

- a **media release** reminding self-preparers, agents and their clients to wait for all of their pre-fill information before they lodge due to the high rate of errors and adjustments we see on returns lodged before the pre-fill information is finalised
- we've been working with a variety of industry groups, organisations and businesses with significant reach in the community to increase awareness of key messages for Tax Time 2024
- tax time spokesperson, Rob Thomson, has participated in a number of podcasts, webinars and events, including activities run by tax professional associations and some consumer finance channels
- we've updated our **Tax time toolkits** (including the individuals and investor toolkits) – there's over 50 PDF products that you can download and share with your clients to assist them with their work-related deductions
- the release of the **Tax agent lodgment program 2024–25** that will help tax agents manage their workloads. Our communications are focused on helping tax agents find out what's new, how to prepare for tax time, and what support options are available
- the Tax professionals webcast for tax time discussed important considerations for your clients this tax time, changes to not-for-profit reporting, lodgment support and key issues for small business. A recording of the webcast is now available
- the **Tax professionals newsletter** will feature a roundup of things to know this tax time, including

  - items on the 2024–25 lodgment program
  - reducing the risk of a cyber security event
  - changes to fuel tax credit rates
  - a reminder that employer clients must lodge their Single Touch Payroll finalisation declarations
  - information about our Tax time toolkits
- our Tax Time 2024 video series for the tax profession will commence this week. In the first video, Deputy Commissioner Andrew Watson will discuss what's new and the our commitment to you.

Small Business

Law has now passed to enable eligible businesses to receive an additional 20% deduction on spending that supports electrification and more efficient use of energy in 2023–24:

- Eligible assets or upgrades need to have been first used, or installed ready for use, between 1 July 2023 and 30 June 2024.
- More information about what and when businesses can claim, and how to correctly claim the deduction can be found at **ato.gov.au/energyincentive**.
- Digital service providers are currently updating their software products to include the new claim label.

Law has now passed to temporarily increase the instant asset write-off (IAWO) threshold from $1,000 to $20,000 for 2023–24:

- The IAWO allows you to deduct the full cost of eligible assets that cost less than $20,000.
- Eligible assets must be first used, or installed ready for use, between 1 July 2023 and 30 June 2024.
- The $20,000 threshold will apply on a per asset basis, so you can instantly write off multiple assets.

Useful links

- Tax Time 2024
- Overview of the key changes
- Support for your practice
- The Tax practitioner assistance (TPA) service
- TPSG tax time updates
- Tax time lodgment statistics.

QC 102785

Tax time lodgment statistics

Tax time lodgment statistics as at 27 March 2025.

Last updated 1 April 2025

As at 27 March 2025, we have received over 13.6 million individual tax return lodgments for 2024; which is a 2% increase compared with the same time last year.

Of these lodgments:

- over 5.8 million were lodged by self-preparers
- over 7.6 million were lodged by tax agents
- over 103,000 were push returns.

QC 73054

Tax time toolkits

Use our toolkits as an educational resource to guide conversations with your individual and small business clients.

Last updated 5 June 2024

On this page

Using our resources

Our educational resources support and guide your conversations with your individuals and small business clients.

To use these resources, you can either:

- download and print these resources in portable document format (PDF) to share with clients
- view them online and share a link with your clients.

Individuals

Use the links below to access our tax-time toolkit for individuals to help your clients better understand their tax obligations.

- General toolkit – our downloadable summaries for
  - Residency, foreign income and the income statement
    Find out about how tax residency impacts tax obligations, declaring foreign income and the income statement.
  - Common work-related expenses
    Find out what work-related expenses are deductible and the records clients need to keep.
  - Occupation and industry guide summaries
    Check out our occupation and industry specific work-related expense posters.

- **Investors toolkit**
  Factsheets on rental and investment properties, crypto assets, shares, capital gains tax (CGT) on property and pay as you go instalments.

You can also access our individual **Tax return instructions** for the 2023–24 income year and prior years.

Small business

Use the links below to access our toolkit for small business topics including home-based business expenses, motor vehicle expenses, travel expenses and pausing or permanently closing your business.

- **Small business guides**
  Access our single fact sheets on a range of tax topics for small business.
- **Small business – tax-time toolkit**
  Access a complete version of the small business toolkit.

Tax time resources in other languages

Many of our educational resources are available in other languages. Go to **tax time resources in languages other than English**.

Feedback and content requests

You can provide feedback on these products or request new content to share across your channels. Contact us at:
IndividualsCommunication@ato.gov.au

Tax time toolkit general

Our Tax time toolkit 2024 includes occupation and industry guide summaries and how to avoid common reporting mistakes.

Tax time toolkit for investors

Our resource for anyone earning money from their investments,

Tax Time Toolkit - Small business

Information to help small businesses at tax time and all year round.

QC 59308

Tax time toolkit general

Our Tax time toolkit 2024 includes occupation and industry guide summaries and how to avoid common reporting mistakes.

Last updated 5 June 2024

On this page

Occupation and industry guide summaries

The following content contains a summary of common work-related expenses for occupation and industry groups.

Use the table below to access either:

- the occupation or industry guide summary of common work-related expenses
  - select the link in the left column of the table
  - read the content online
- the PDF summary of common work-related expenses for your occupation or industry, you can

- select the link in the right column of the table to open the PDF
- you can download as a PDF.

Table: Occupation and industry guides and PDF summary posters

Occupation and industry guides summary	Deduction summary – PDF download
Agriculture	Agricultural industry (PDF, 448KB)
Apprentice	Apprentice (PDF, 443KB)
Australian Defence Force	ADF members (PDF, 569KB)
Bus driver	Bus driver (PDF, 436KB)
Call centre operator	Call centre operator (PDF, 416KB)
Cleaner	Cleaner (PDF, 405KB)
Community support worker or direct carer	Community support worker and direct carer (PDF, 427KB)
Construction worker	Building and construction worker (PDF, 389KB)
Doctor, specialist or other medical professional	Doctor, specialist or other medical professional (PDF, 420KB)
Engineer	Engineer (PDF, 423KB)
Factory worker	Factory worker (PDF, 458KB)
Fire fighter	Fire fighter (PDF, 399KB)

Fitness and sporting industry employees	Fitness and sporting industry (PDF, 375KB)
Flight attendant	Flight attendant (PDF, 423KB)
Gaming attendant	Gaming attendant (PDF, 369KB)
Hairdresser or beauty therapist	Hairdresser and beauty therapist (PDF, 432KB)
Hospitality worker	Hospitality worker (PDF, 426KB)
IT professional	IT professional (PDF, 393KB)
Lawyer	Lawyer (PDF, 434KB)
Meat processing worker	Meat processing worker (PDF, 443KB)
Media professional	Media professional (PDF, 438KB)
Miner	Miners (PDF, 429KB)
Nurse or midwife	Nurse or midwife (PDF, 440KB)
Office worker	Office worker (PDF, 467KB)
Paramedic	Paramedic (PDF, 457KB)
Performing artist	Performing artist (PDF, 434KB)
Pilot	Pilot (PDF, 399KB)
Police officer	Police officer (PDF, 427KB)

Public servant	Public servant (PDF, 395KB)
Real estate professional	Real estate professional (PDF, 482KB)
Recruitment consultant	Recruitment consultant (PDF, 425KB)
Retail	Retail industry worker (PDF, 428KB)
Ride-sourcing drivers	Ride-sourcing drivers (PDF, 305KB)
Sales and marketing	Sales and marketing (PDF, 449KB)
Security industry	Security industry (PDF, 495KB)
Teacher	Teacher (PDF, 427KB)
Tradesperson (Tradies)	Tradesperson (Tradies) (PDF, 415KB)
Train driver	Train driver (PDF, 413KB)
Travel agent	Travel agent (PDF, 450KB)
Truck driver	Truck driver (PDF, 466KB)

Agriculture

Download: Agricultural industry (PDF, 448KB)

If you're an employee in the agriculture industry it pays to learn what you can claim.

To claim a deduction for work-related expenses:

- you must have spent the money yourself and weren't reimbursed

- it must directly relate to earning your income
- you must have a record to prove it.

You can only claim the work-related portion of expenses. You can't claim a deduction for any part of an expense that is not directly related to earning your income.

You can use the **myDeductions** tool in the ATO app to keep track of your expenses and receipts throughout the year.

Vehicle expenses

You can’t claim the cost of normal trips between home and work, even if you live a long way from your usual workplace or work outside normal business hours.

You can claim the cost of using a vehicle you own when you drive:

- directly between separate jobs on the same day – for example, from your first job as a fruit picker to your second job to test soil for crop research
- to and from an alternate workplace for the same employer on the same day – for example, between cane fields for your employer.

In limited circumstances, **you can claim** the cost of trips between home and work, where you carry bulky tools or equipment for work. You can claim a deduction for the cost of these trips if all of the following apply:

- the tools or equipment are essential to perform your employment duties and you don’t carry them merely as a matter of choice
- the tools or equipment are bulky – meaning that because of the size and weight they are awkward to transport and can only be transported conveniently by the use of a motor vehicle
- there is no secure storage for the items at the workplace.

If you claim car expenses, you can use the logbook method or the cents per kilometre method to calculate your deduction.

If you claim work-related car expenses using one of the above methods, you can’t claim any further deductions in the same tax return for the same car. For example, servicing, and insurance costs.

If your vehicle has a carrying capacity of one tonne or more, such as a ute or panel van, you can’t use the cents per kilometre method or the logbook method to calculate your claim. You can claim the actual costs you incur for the work-related use of your vehicle.

You can claim the decline in value and running costs of all-terrain vehicles (ATV), such as a quad bike, where you're required to cover large distances of land that is not accessible by vehicle. You can only claim the decline in value for an ATV if you paid for the vehicle yourself and you were not reimbursed by your employer.

Travel expenses

You can claim travel expenses if you travel away from your home overnight in the course of performing your employment duties – for example, carting cattle long distances between farms. Travel expenses can include meals, accommodation, fares and incidental expenses you incur when travelling for work.

You can’t claim a deduction if the travel is paid for, or you are reimbursed by your employer or another person.

You can't claim the cost to transfer or relocate to a new work location. This is the case whether the move is a condition of your existing job or you are taking up a new job.

Clothing and laundry expenses (including footwear)

With a few exceptions, clothing can't be deducted as a work-related expense.

You can’t claim the cost to buy, hire, repair or clean conventional clothing you wear for work, even if your employer requires you to wear it and you only wear these items of clothing at work. 'Conventional clothing' is everyday clothing worn by people – for example, footy shorts, track pants, jeans, drill shorts or jackets.

You can claim the cost to buy, hire, repair or clean clothing if it is protective. Protective clothing has features and functions to protect you from specific risks of injury or illness at work. For example, a cattle farmer can claim gloves and steel-capped boots.

You can’t claim a deduction if your employer pays for or reimburses you for these expenses.

Licences, permits and cards

You can't claim your drivers licence or the initial cost of getting a special licence, condition on your licence or certificate in order to gain employment. For example, a heavy vehicle permit, firearm licence or forklift licence.

You can claim the additional costs to renew a special licence, condition on your licence or certificate in order to perform your work duties. For example, if you need to have a forklift licence to get your job, you can't claim the initial cost of getting the licence. However, you can claim the cost of renewing it during the period you are working.

Other expenses

You can claim the work-related portion of other expenses if they relate to your employment, including:

- working dog and working horse expenses, such as food, vet bills and miscellaneous items like the decline in value of a saddle
- hats and sunscreen
- union and professional association fees
- phone and internet costs, with records showing your work-related use
- technical or professional publications, and
- tools, equipment you use for work, such as a chainsaw or fencing tools. If the tool or equipment costs
  - more than $300 – you claim a deduction for the cost over a number of years (decline in value)
  - $300 or less (and doesn't form part of a set that costs more than $300) – you can claim an immediate deduction for the whole cost.

You can't claim private expenses, such as music subscriptions or childcare.

This information is for employees who work in agriculture. It doesn't apply to hobby farmers.

If natural disasters are causing you financial difficulties, phone us on **1800 806 218** and we can help you manage your tax.

This is a general summary only. For more information, go to **ato.gov.au/agriculture** or speak to a registered tax professional.

Apprentice

Download: Apprentice (PDF, 443KB)

If you're an apprentice it pays to learn what you can claim.

To claim a deduction for work-related expenses:

- you have spent the money yourself and weren't reimbursed
- it must directly relate to earning your income
- you must have a record to prove it.

You can only claim the work-related portion of expenses. You can't claim a deduction for any part of an expense that is not directly related to earning your income.

You can use the **myDeductions** tool in the ATO app to keep track of your expenses and receipts throughout the year.

Car expenses

You can't claim the cost of normal trips between home and work, even if you live a long way from your usual workplace or work outside normal business hours.

You can claim the cost of using a car you own when you drive:

- directly between separate jobs on the same day – for example, from your first job as a plumbing apprentice to your second job as a security guard
- to and from an alternate workplace for the same employer on the same day – for example, travelling between depots or work sites.

In limited circumstances, **you can claim** the cost of trips between home and work, where you carry bulky tools or equipment for work. **You can claim** a deduction for the cost of these trips if all of the following apply:

- the tools or equipment are essential to perform your employment duties and you don't carry them merely as a matter of choice
- the tools or equipment are bulky – meaning that because of the size and weight they are awkward to transport and can only be

transported conveniently by the use of a motor vehicle

- there is no secure storage for the items at the workplace.

If you claim car expenses, you can use the logbook method or the cents per kilometre method to calculate your deduction.

If you use the logbook method, you need to keep a valid logbook to determine the percentage of work-related use along with written evidence of your car expenses. If you use the cents per kilometre method, you need to be able to show how you calculated your work-related kilometres and that those kilometres were work related.

If you claim work-related car expenses using one of the above methods, you can't claim any further deductions in the same tax return for the same car – for example, servicing, and insurance costs.

If your vehicle has a carrying capacity of one tonne or more, such as a ute or panel van, you can't use the cents per kilometre method or the logbook method to calculate your claim. You can claim the actual costs you incur for the work-related use of your vehicle.

Clothing and laundry expenses (including footwear)

With a few exceptions, clothing can't be deducted as a work-related expense.

You can't claim the cost to buy, hire, repair or clean conventional clothing you wear for work, even if your employer requires you to wear it and you only wear these items of clothing at work. 'Conventional clothing' is everyday clothing worn by people – for example, drill shorts and shirts worn by tradespeople, or black pants worn by hairdressers.

You can claim the cost to buy, hire, repair or clean clothing if it is:

- protective – clothing with protective features or functions which you wear to protect you from specific risks of injury or illness at work. For example, steel-capped boots or hi-vis clothing
- a compulsory uniform – clothing you are explicitly required to wear by a workplace agreement or policy, which is strictly and consistently enforced, and is sufficiently distinctive to your organisation.

You can't claim a deduction if your employer pays for or reimburses you for these expenses.

Self-education and study expenses

You can claim self-education and study expenses if your course relates directly to your employment as an apprentice and it:

- maintains or improves the skills and knowledge you need for your current duties
- results in or is likely to result in an increase in income from your current employment, such as your apprenticeship course.

You can’t claim a deduction if your study is only related in a general way or is designed to help you get a new job. For example, if you're an apprentice carpenter you can't claim the cost of a bookkeeping course.

You can't claim a deduction for the repayments you make on your study or training support loan.

You can’t claim a deduction if your employer pays for or reimburses you for these expenses.

Tools and equipment expenses

You can claim the cost of tools and equipment you use for work, including repairs and insurance.

If a tool or equipment costs:

- more than $300 – you claim a deduction for the cost over a number of years (decline in value)
- $300 or less (and doesn’t form part of a set that costs more than $300) – you can claim an immediate deduction for the whole cost.

You can't claim tools and equipment that are supplied by your employer or another person.

If you also use the tools and equipment for private purposes, you can only claim the work-related portion. You also need to apportion the cost of insurance and repairs between private and work-related use.

Other expenses

You can claim the work-related portion of other expenses that relate to your employment, including:

- sunscreen, sunhats and sunglasses where your duties require you to spend prolonged periods working outdoors

- union and professional association fees
- phone and internet costs, with records showing your work-related use.

You can't claim a deduction if the cost was met or reimbursed by your employer.

You can't claim private expenses such as music subscriptions, childcare, parking fees, tolls or public transport on trips between home and work, fines, flu shots and other vaccinations even if you're required to have them for work.

This is a general summary only. For more information, go to **ato.gov.au/apprentice** or speak to a registered tax professional.

Australian Defence Force

Download: ADF members (PDF, 569KB)

If you work for the Australian Defence Force (ADF) it pays to learn what you can claim.

To claim a deduction for work-related expenses:

- you must have spent the money yourself and weren't reimbursed
- it must directly relate to earning your income
- you must have a record to prove it.

You can only claim the work-related portion of an expense. You can't claim a deduction for any part of an expense that does not directly relate to earning your income.

You can use the **myDeductions** tool in the ATO app to keep track of your expenses and receipts throughout the year.

Car expenses

You can't claim the cost of normal trips between home and work, even if you live a long way from your usual workplace or work outside normal business hours – for example, a military exercise held over the weekend.

You can claim the cost of using a car you own when you drive:

- between separate jobs on the same day

- to and from an alternate workplace for the same employer on the same day – for example, from the base you work at to a meeting in the city.

In limited circumstances, **you can claim** the cost of trips between home and work where you carry bulky tools or equipment for work. You can claim a deduction for the cost of these trips if all of the following apply:

- the tools or equipment are essential to perform your employment duties and you don't carry them merely as a matter of choice
- the tools or equipment are bulky – meaning that because of their size and weight they are awkward to transport and can only be transported conveniently by the use of a motor vehicle
- there is no secure storage for the items at the workplace.

If you claim car expenses, you can use the logbook method or the cents per kilometre method to calculate your deduction.

If you use the logbook method, you need to keep a valid logbook to work out the percentage of work-related use along with written evidence of your car expenses.

If you use the cents per kilometre method, you need to be able to show how you calculated your work-related kilometres and that those kilometres were work related.

If you claim work-related car expenses using one of the above methods, you can't claim any further deductions in the same tax return for the same car. For example, petrol, servicing, and insurance costs.

Fitness expenses

You can't claim fitness expenses, such as gym fees, to maintain your fitness.

In very limited circumstances**, you can claim** fitness expenses if your role requires you to maintain a fitness level well above the normal ADF general standard and strenuous physical activity is an essential and regular part of your work. For example, if you are a physical training instructor with the Australian Special Forces.

Working from home expenses

If you work from home, **you can claim** a deduction for expenses you incur that relate to your work. You must:

- use one of the methods set out by us to calculate your deduction
- keep the correct records for the method you use.

You can't claim:

- coffee, tea, milk and other general household items, even if your employer provides these at work
- items your employer provides – for example, a laptop or a phone
- any items where your employer pays for or reimburses you for the expense.

Tools and equipment expenses

You can claim the cost of tools and equipment you use for work, including repairs and insurance.

If a tool or equipment costs:

- more than $300 – you claim a deduction for the cost over a number of years (decline in value)
- $300 or less (and doesn't form part of a set that costs more than $300) – you can claim an immediate deduction for the whole cost.

You can't claim tools and equipment that are supplied by your employer or another person.

If you also use the tools and equipment for private purposes, you can only claim the work-related portion. You also need to apportion the cost of insurance and repairs between private and work-related use.

Other expenses

You can claim the work-related portion of other expenses that relate to your employment, including:

- technical or professional publications
- compulsory mess subscriptions
- union and professional association fees.

You can't claim private expenses, such as the cost of:

- attending social functions (even though these may be compulsory)
- haircuts, grooming, weight loss programs or supplies, even though the ADF has specific regulations
- self-education or study if the course
  - doesn't have a connection with your current employment
  - only relates in a general way to your current employment
  - enables you to get employment or change employment.

You can't claim a deduction if the cost was met or reimbursed by your employer.

This is a general summary only. For more information, go to **ato.gov.au/defence** or speak to a registered tax professional.

Bus driver

Download: Bus driver (PDF, 436KB)

If you're a bus driver it pays to learn what you can claim.

To claim a deduction for work-related expenses:

- you must have spent the money yourself and weren't reimbursed
- it must directly relate to earning your income
- you must have a record to prove it.

You can only claim the work-related portion of expenses. You can't claim a deduction for any part of an expense that does not directly relate to earning your income.

You can use the **myDeductions** tool in the ATO app to keep track of your expenses and receipts throughout the year.

Car expenses

You can't claim the cost of normal trips between home and work, even if you live a long way from your usual workplace, work split shifts or have to work outside normal business hours.

You can claim the cost of using a car you own when you drive:

- directly between separate jobs on the same day – for example, finishing your morning bus shift and driving to your second job in administration

- to and from an alternate workplace for the same employer on the same day – for example, travelling between different depots for the same company.

Travel expenses

You can claim travel expenses if you travel away from your home overnight in the course of performing your employment duties. For example, driving a 2-day bus tour group from Newcastle to Canberra where you are required to sleep away from your home overnight. Travel expenses can include meals, accommodation, fares and incidental expenses you incur when travelling for work.

You can't claim a deduction if the travel is paid for, or you are reimbursed by your employer or another person.

Receiving a travel allowance from your employer does not automatically entitle you to a deduction. You still need to show that you were away overnight, you spent the money, and the travel directly relates to earning your employment income.

Clothing and laundry expenses (including footwear)

With a few exceptions, clothing can't be deducted as a work-related expense.

You can't claim the cost to buy, hire, repair or clean conventional clothing you wear for work, even if your employer requires you to wear it and you only wear these items of clothing at work. 'Conventional clothing' is everyday clothing worn by people – for example, black pants and collared shirts.

You can claim the cost of buying, hiring, repairing or cleaning clothing if it is considered:

- protective – clothing which has protective features or functions that you wear to protect you from specific risks of injury or illness at work. For example, steel-capped boots or hi-vis vests
- a compulsory uniform – clothing you are explicitly required to wear by a workplace agreement or policy, which is strictly and consistently enforced, and is sufficiently distinctive to your organisation- for example, an embroidered shirt with your employer's logo that is compulsory for you to wear at work

- non-compulsory uniforms that are registered with the Register of Approved Occupational Clothing (check with your employer if you're not sure).

You can't claim a deduction if your employer pays for or reimburses you for these expenses.

Drivers licence

You can't claim the cost of getting or renewing your drivers licence, even if it is a condition of your employment. This is a private expense.

You can't claim the initial cost of getting a special licence or condition on your licence to get a job as a bus driver.

You can claim the additional costs to renew a special licence or condition on your licence in order to perform your employment duties. For example, a heavy vehicle permit.

Compulsory assessments

You can claim compulsory assessments and medical examinations you require to carry out your current employment duties. For example, working with children checks.

You can't claim compulsory pre-employment assessments and medical examinations you take to get employment as a bus driver.

Other expenses

You can claim the work-related portion of other expenses that relate to your employment, including:

- sunglasses and sunscreen where prolonged periods of sun exposure is likely while you're performing your employment duties
- personal protective equipment you buy, such as gloves, face masks, sanitiser or anti-bacterial spray, if your job requires close proximity with customers
- overtime meals that you buy and eat when you work overtime, if your employer paid you an overtime meal allowance under an industrial law, award or agreement for the overtime and it's included in your assessable income

- cleaning products for the bus, if you are required to keep the bus clean and the products are not supplied by your employer – for example, anti-bacterial products and window cleaner
- diaries and logbooks – for example, to record student behaviour or damage to vehicles
- phone and internet costs, with records showing your work-related use
- union and professional association fees.

You can't claim private expenses, such as music subscriptions, childcare, seat covers, flu shots and other vaccinations, even if you're required to have them for work.

You can't claim a deduction if the cost was met or reimbursed by your employer.

This is a general summary only. For more information, go to **ato.gov.au/busdriver** or speak to a registered tax professional.

Call centre operator

Download: Call centre operator (PDF, 416KB)

If you're a call centre operator it pays to learn what you can claim.

To claim a deduction for work-related expenses:

- you must have spent the money yourself and weren't reimbursed
- it must directly relate to earning your income
- you must have a record to prove it.

You can only claim the work-related portion of an expense. You can't claim a deduction for any part of an expense that does not directly relate to earning your income.

You can use the **myDeductions** tool in the ATO app to keep track of your expenses and receipts throughout the year.

Car expenses

You can't claim the cost of normal trips between home and work, even if you live a long way from your usual workplace or work outside normal business hours – for example, weekends or early morning shifts.

You can claim the cost of using a car you own when you drive:

- directly between separate jobs on the same day – for example, from your job in a call centre to your second job as a waiter
- to and from an alternate workplace for the same employer on the same day – for example, from your workplace to the company training centre.

You can claim parking fees and tolls when you drive your car for work-related purposes – see car expenses conditions above.

Clothing and laundry expenses (including footwear)

With a few exceptions, clothing can't be deducted as a work-related expense.

You can’t claim the cost to buy, hire, repair or clean conventional clothing you wear for work, even if your employer requires you to wear it and you only wear these items of clothing at work. 'Conventional clothing' is everyday clothing worn by people – for example, business attire worn by office workers or plain black pants.

You can claim the cost to buy, hire, repair or clean clothing if it is:

- a compulsory uniform – clothing you are explicitly required to wear by a workplace agreement or policy, which is strictly and consistently enforced, and is sufficiently distinctive to your organisation - for example, an embroidered shirt with your employer's logo that is compulsory for you to wear at work
- non-compulsory uniforms that are registered with the Register of Approved Occupational Clothing (check with your employer if you’re not sure).

You can’t claim a deduction if your employer pays for or reimburses you for these expenses.

Self-education and study expenses

You can claim self-education, study, seminar and training expenses if your course relates directly to your current job as a call centre operator and it:

- maintains or improves the skills and knowledge you need for your current duties
- results in or is likely to result in an increase in your income from your current employment – for example, studying for a Certificate 3 in Customer Engagement.

You need to be able to show how the course relates to your employment and have records for the expenses you claim – such as receipts for course fees, textbooks, stationery and travel expenses.

You can't claim a deduction if your study is only related in a general way to your current job or is designed to help you get a new job. For example, a call centre operator can't claim the cost of a course which would enable you to become a mortgage broker.

You can't claim a deduction if your employer pays for or reimburses you for these expenses.

Working from home expenses

If you work from home, **you can claim** a deduction for expenses you incur that relate to your work. You must:

- use one of the methods set out by us to calculate your deduction
- keep the correct records for the method you use.

You can't claim:

- coffee, tea, milk and other general household items, even if your employer provides these at work
- items your employer provides – for example, a laptop or a phone
- any items where your employer pays for or reimburses you for the expense.

Other expenses

You can claim the work-related portion of other expenses that relate to your employment, including:

- logbooks, diaries and pens that you use for work and aren't provided by your employer
- union and professional association fees

- phone and internet costs, with records showing your work-related use.

You can't claim:

- parking at your normal place of work, or public transport, taxi or ride-share expenses from home to work, even if you work split shifts or unusual hours
- compulsory pre-employment assessments – for example, a hearing assessment you need to pass as a condition of employment
- costs associated with getting a new job, like paying a professional to write your job application
- childcare
- food, drinks or snacks you consume during your normal shift
- grooming expenses, such as hairdressing, skin care products or cosmetics.

You can't claim a deduction if the cost was met or reimbursed by your employer.

This is a general summary only. For more information, go to **ato.gov.au/callcentre** or speak to a registered tax professional.

Cleaner

Download: Cleaner (PDF, 405KB)

If you're a cleaner it pays to learn what you can claim.

To claim a deduction for work-related expenses:

- you must have spent the money yourself and weren't reimbursed
- it must directly relate to earning your income
- you must have a record to prove it.

You can only claim the work-related portion of an expense. You can't claim a deduction for any part of an expense that does not directly relate to earning your income.

You can use the **myDeductions** tool in the ATO app to keep track of your expenses and receipts throughout the year.

Car expenses

You can claim the cost of using a car you own when you drive:

- directly between separate jobs on the same day – for example, from your first job as a cleaner to your second job as a waiter
- to and from an alternate workplace for the same employer on the same day – for example, travelling between different houses that you clean.

You can't claim the cost of normal trips between home and work, even if you live a long way from your usual workplace or have to work outside normal business hours – for example, night cleaning shifts.

In limited circumstances, **you can claim** the cost of trips between home and work where you:

- have shifting places of employment (that is, you don't have a fixed workplace and you continually travel from one work site to another during your workday)
- carry bulky tools or equipment for work. You can claim a deduction for the cost of these trips if all of the following apply
  - the tools or equipment are essential to perform your employment duties and you don't carry them merely as a matter of choice
  - the tools or equipment are bulky – meaning that because of the size and weight they are awkward to transport and can only be transported conveniently by the use of a motor vehicle
  - there is no secure storage for the items at the workplace.

If you claim car expenses, you can use the logbook method or the cents per kilometre method to calculate your deduction.

If you use the logbook method, you need to keep a valid logbook to work out the percentage of work-related use along with written evidence of your car expenses.

If you use the cents per kilometre method, you need to be able to show how you calculated your work-related kilometres and that those kilometres were work related.

If you claim work-related car expenses using one of the above methods, you can't claim any further deductions in the same tax return for the same car. For example, petrol, servicing, and insurance costs.

Clothing and laundry expenses (including footwear)

With a few exceptions, clothing can't be deducted as a work-related expense.

You can’t claim the cost to buy, hire, repair or clean conventional clothing you wear for work, even if your employer requires you to wear it and you only wear these items of clothing at work. 'Conventional clothing' is everyday clothing worn by people – for example, active wear, black pants, polo shirts and sneakers.

You can claim the cost to buy, hire, repair or clean clothing if it is:

- protective – clothing that has protective features or functions which you wear to protect you from specific risks of injury or illness at work. For example, aprons to protect your clothes from soiling or damage or breathing masks to provide protection from chemicals
- a compulsory uniform – clothing you are explicitly required to wear by a workplace agreement or policy, which is strictly and consistently enforced, and is sufficiently distinctive to your organisation. For example, an embroidered shirt with your employer's logo that is compulsory for you to wear at work.

You can’t claim a deduction if your employer pays for or reimburses you for these expenses.

Meal and snack expenses

You can’t claim the cost of food, drink or snacks you consume during your shift (even if you work split shifts or unusual hours, or you receive an allowance). These are private expenses.

If you receive an overtime meal allowance under an industrial law, award or agreement and it’s included in your assessable income, **you can claim** the cost of the meal that you buy and eat when you work overtime.

Tools and equipment expenses

You can claim the cost of tools and equipment you use for work, including repairs and insurance. For example, a steam cleaner or vacuum.

If a tool or equipment costs:

- more than $300 – you claim a deduction for the cost over a number of years (decline in value)
- $300 or less (and doesn't form part of a set that costs more than $300) – you can claim an immediate deduction for the whole cost.

You can't claim tools and equipment that are supplied by your employer or another person.

If you also use the tools and equipment for private purposes, you can only claim the work-related portion. You also need to apportion the cost of insurance and repairs between private and work-related use.

Other expenses

You can claim the work-related portion of other expenses that relate to your employment, including:

- union and professional association fees
- phone costs, with records showing your work-related use
- personal protective equipment you buy, such as gloves, face masks, sanitiser or anti-bacterial spray if your work duties involve you cleaning a premise.

You can't claim private expenses such as music subscriptions, childcare or fines.

You can't claim a deduction if the cost was met or reimbursed by your employer.

This is a general summary only. For more information, go to **ato.gov.au/cleaner** or speak to a registered tax professional.

Community support worker or direct carer

Download: [Community support worker and direct carer (PDF, 427KB)]

If you're a community support worker or direct carer it pays to learn what you can claim.

To claim a deduction for work-related expenses:

- you must have spent the money yourself and weren't reimbursed
- it must directly relate to earning your income

- you must have a record to prove it.

You can only claim the work-related portion of an expense. You can't claim a deduction for any part of an expense that does not directly relate to earning your income.

You can use the **myDeductions** tool in the ATO app to keep track of your expenses and receipts throughout the year.

This information is for employee community support workers and direct carers, it doesn’t apply to participants or nominated representatives under the National Disability Insurance Scheme (NDIS).

Car expenses

You can’t claim the cost of normal trips between home and work, even if you live a long way from your usual workplace or work outside normal business hours – for example, weekend or early morning shifts.

In limited circumstances, **you can claim** the cost of trips between home and work where you have shifting places of employment (that is, you don't have a fixed workplace and you continually travel from one work site to another during your workday).

You can claim the cost of using a car you own when you drive:

- directly between separate jobs on the same day – for example, from your first job as a personal care assistant to your second job as a disability support worker
- to and from an alternate workplace for the same employer on the same day – for example, directly between clients' homes or taking a client to an appointment.

If you claim car expenses, you can use the logbook method or the cents per kilometre method to calculate your deduction.

If you use the logbook method, you need to keep a valid logbook to work out the percentage of work-related use along with written evidence of your car expenses.

If you use the cents per kilometre method, you need to be able to show how you calculated your work-related kilometres and be able to show that those kilometres were work related.

If you claim work-related car expenses using one of the above methods, you can’t claim any further deductions in the same tax return for the same car. For example, petrol, servicing, and insurance costs.

Clothing and laundry expenses (including footwear)

With a few exceptions, clothing can't be deducted as a work-related expense.

You can’t claim the cost to buy, hire, repair or clean conventional clothing you wear for work, even if your employer requires you to wear it and you only wear these items of clothing at work. 'Conventional clothing' is everyday clothing worn by people - for example, jeans, t-shirts, sneakers or business attire.

You can claim the cost to buy, hire, repair or clean clothing if it is:

- protective – clothing that has protective features and functions which you wear to protect you from specific risks of injury or illness at work - for example, non-slip nursing shoes
- a compulsory uniform – clothing you are explicitly required to wear by a workplace agreement or policy, which is strictly and consistently enforced, and is sufficiently distinctive to your organisation. For example, an embroidered shirt with your employer's logo that is compulsory for you to wear at work.

Meal and entertainment expenses

You can’t claim the cost of food, drink or snacks you consume during your normal working hours, even if you receive an allowance. These are private expenses.

You can claim the cost of a meal you buy and eat when you work overtime, if you receive an overtime meal allowance under an industrial law, award or agreement and it’s included in your assessable income.

You can’t claim for the costs you incur for yourself or your client when taking them out – for example, paying for their coffee, lunch or ticket to attend a movie.

Self-education and study expenses

You can claim self-education and study expenses if your course relates directly to your employment as a community support worker or direct carer and it:

- maintains or improves the specific skills and knowledge you need for your current duties – for example, a Certificate 4 in Ageing Support if you are employed as an aged care worker
- results in or is likely to result in an increase in income from your current employment.

You can't claim a deduction if your study is only related in a general way or is designed to help you get a new job.

Other expenses

You can claim the work-related portion of other expenses that relate to your employment, including:

- phone and internet costs, with records showing your work-related use
- working from home expenses to fulfil your employment duties
- personal protective equipment you buy, such as gloves, face masks, sanitiser or anti-bacterial spray, if your job required close proximity with customers
- union and professional association fees.

You can't claim private expenses, such as:

- fitness expenses – for example, gym fees
- parking at your normal place of work or public transport, taxis or ride share expenses from home to work
- flu shots and other vaccinations
- pay TV, music subscriptions and streaming services.

You can't claim a deduction if the expense was met or reimbursed by your employer.

This is a general summary only. For more information, visit ato.gov.au/carers or speak to a registered tax professional.

Construction worker

Download: Building and construction worker (PDF, 389KB)

If you're a construction worker it pays to learn what you can claim.

To claim a deduction for work-related expenses:

- you must have spent the money yourself and weren’t reimbursed
- it must directly relate to earning your income
- you must have a record to prove it.

You can only claim the work-related portion of an expense. You can't claim a deduction for any part of an expense that does not directly relate to earning your income.

You can use the myDeductions tool in the ATO app to keep track of your expenses and receipts throughout the year.

Car expenses

You can’t claim the cost of normal trips between home and work, even if you live a long way from your usual workplace or have to work outside normal business hours – for example, weekend or early morning shifts.

In limited circumstances, **you can claim** the cost of trips between home and work, where:

- you have shifting places of employment (that is, you don't have a fixed workplace and you continually travel from one work site to another during your workday)
- you carry bulky tools or equipment for work, and all of the following apply
  - the tools or equipment are essential to perform your employment duties and you don't carry them merely as a matter of choice
  - the tools or equipment are bulky – meaning that because of the size and weight they are awkward to transport and can only be transported conveniently by the use of a motor vehicle
  - there is no secure storage for the items at the workplace.

You can claim the cost of using a vehicle you own when you drive:

- directly between separate jobs on the same day – for example, from your job in construction to your second job as a security guard
- to and from an alternate workplace for the same employer on the same day – for example, between depots or work sites.

If you claim car expenses, you can use the logbook method or the cents per kilometre method to calculate your deduction. If you claim your work-related car expenses using one of these methods, you can't claim any further deductions in the same tax return for the same car – for example, servicing or insurance costs.

If your vehicle has a carrying capacity of one tonne or more, such as a ute or panel van, you can't use the cents per kilometre method or the logbook method to calculate your claim. You can claim the actual costs you incur for the work-related use of your vehicle.

Travel expenses

You can claim travel expenses if you travel away from your home overnight in the course of performing your employment duties – for example, attending a conference interstate. Travel expenses can include meals, accommodation, fares and incidental expenses you incur when travelling for work. Circumstances may be different for fly-in fly-out (FIFO) workers.

You can't claim a deduction if the travel is paid for, or you are reimbursed by your employer or another person.

Clothing and laundry expenses (including footwear)

With a few exceptions, clothing can't be deducted as a work-related expense.

You can't claim the cost to buy, hire, repair or clean conventional clothing you wear for work, even if your employer requires you to wear it and you only wear these items of clothing at work. 'Conventional clothing' is everyday clothing worn by people – for example, jeans, business attire or drill shorts and shirts worn by tradespeople.

You can claim the cost to buy, hire, repair or clean clothing if it is:

- protective – clothing with protective features and functions that you wear to protect you from specific risks of injury or illness at work. For example, high-vis vests or steel-capped boots.

Tools and equipment

You can claim the cost of tools and equipment you use for work, including repairs and insurance. For example, a circular saw, concrete mixer or screwdriver set.

If a tool or equipment costs:

- more than $300 – you claim a deduction for the cost over a number of years (decline in value)
- cost $300 or less (and doesn't form part of a set that costs more than $300) – you can claim an immediate deduction for the whole cost.

You can't claim tools and equipment that are supplied by your employer or another person.

If you also use the tools and equipment for private purposes, you can only claim the work-related portion. You will also need to apportion the cost of insurance and repairs between private and work-related use.

Other expenses

You can claim the work-related portion of other expenses that relate to your employment, including:

- sunscreen, sunhats and sunglasses where your duties require you to spend prolonged periods working outdoors
- renewal fees for licences, regulatory permits, certificates or 'cards' that relate to your work (but you can’t claim the cost of getting your initial licence to gain employment)
- safety equipment such as harnesses, goggles and breathing masks
- phone and internet costs, with records showing your work-related use
- union fees.

You can’t claim private expenses, such as gym fees, fines or your drivers licence, even if it is a condition of your employment.

You can’t claim a deduction if the cost was met or reimbursed by your employer.

This is a general summary only. For more information, go to **ato.gov.au/buildingconstruction** or speak to a registered tax professional.

Doctor, specialist or other medical professional

Download: [Doctor, specialist or other medical professional (PDF, 420KB)]

If you're a doctor, specialist or other medical professional it pays to learn what you can claim.

To claim a deduction for work-related expenses:

- you must have spent the money yourself and weren't reimbursed
- it must directly relate to earning your income
- you must have a record to prove it.

You can only claim the work-related portion of an expense. You can't claim a deduction for any part of an expense that does not directly relate to earning your income.

You can use the **myDeductions** tool in the ATO app to keep track of your expenses and receipts throughout the year.

Car expenses

You can't claim the cost of normal trips between home and work, even if you live a long way from your usual workplace or have to work outside normal business hours.

You can claim the cost of using a car you own when you drive:

- directly between separate jobs on the same day – for example, driving from your main job as a general practitioner to your second job as a university lecturer
- to and from an alternate workplace for the same employer on the same day – for example, travelling to different hospitals or medical centres.

In limited circumstances, **you can claim** the cost of trips between home and work, where you carry bulky tools or equipment for work. You can claim a deduction for the cost of these trips if all of the following apply:

- the tools or equipment are essential to perform your employment duties and you don't carry them merely as a matter of choice
- there is no secure storage for the items at the workplace.

If you claim car expenses, you can use the logbook method or the cents per kilometre method to calculate your deduction.

If you use the logbook method, you need to keep a valid logbook to work out the percentage of work-related use along with written evidence of your car expenses.

If you use the cents per kilometre method, you need to be able to show how you calculated your work-related kilometres and that those kilometres were work related.

If you claim work-related car expenses using one of the above methods, you can’t claim any further deductions in the same tax return for the same car. For example, servicing, and insurance costs.

Travel expenses

You can claim travel expenses if you travel away from your home overnight in the course of performing your employment duties. Travel expenses can include meals, accommodation and incidental expenses you incur when travelling for work.

You can’t claim travel expenses if you are taking private travel and add on a work-related component – for example, while on holiday, you notice a work-related seminar and decide to attend. In this scenario, you may claim the seminar fees, but not your travel expenses such as flights or accommodation.

You can't claim a deduction if the travel is paid for, or you are reimbursed by your employer or another person.

Receiving a travel allowance from your employer does not automatically entitle you to a deduction. You still need to show that you were away overnight, you spent the money, and the travel directly relates to earning your employment income.

Clothing and laundry expenses (including footwear)

With a few exceptions, clothing can't be deducted as a work-related expense.

You can’t claim the cost to buy, hire, repair or clean conventional clothing you wear for work, even if your employer requires you to wear it and you only wear these items of clothing at work. 'Conventional clothing' is everyday clothing worn by people – for example, business attire.

You can claim the cost to buy, hire, repair or clean clothing if it is:

- protective – clothing which has protective features or functions that you wear to protect you from specific risks of injury or illness at work. For example, lab coats or surgical caps
- a compulsory uniform – you are explicitly required to wear it by a workplace agreement or policy, which is strictly and consistently enforced, and is sufficiently distinctive to your organisation.

Self-education and study expenses

You can claim self-education and study expenses if your course relates directly to your employment as a medical professional and it:

- maintains or improves the skills and knowledge you need for your current duties
- results in or is likely to result in an increase in income from your current employment.

You can't claim a deduction if your study is only related in a general way or is designed to help you get a new job.

Working from home expenses

If you work from home, **you can claim** a deduction for expenses you incur that relate to your work. You must:

- use one of the methods set out by us to calculate your deduction
- keep the correct records for the method you use.

You can't claim:

- items your employer provides – for example, a laptop or a phone
- any items where your employer pays for or reimburses you for the expense.

Other expenses

You can claim the work-related portion of other expenses that relate to your employment including:

- professional indemnity insurance
- medical journal subscriptions and publications
- medical professional association membership fees

- phone and internet costs, with records showing your work-related use
- medical equipment and insurance for that equipment
- personal protective equipment you buy, such as gloves, face masks, sanitiser or anti-bacterial spray.

You can't claim flu shots and other vaccinations, even if you're required to have them for work.

This is a general summary only. For more information, go to **ato.gov.au/doctors** or speak to a registered tax professional.

Engineer

Download: Engineer (PDF, 423KB)

If you're an engineer it pays to learn what you can claim.

To claim a deduction for work-related expenses:

- you must have spent the money yourself and weren't reimbursed
- it must directly relate to earning your income
- you must have a record to prove it.

You can only claim the work-related portion of an expense. You can't claim a deduction for any part of an expense that does not directly relate to earning your income.

You can use the **myDeductions** tool in the ATO app to keep track of your expenses and receipts throughout the year.

Car expenses

You can't claim the cost of normal trips between home and work, even if you live a long way from your usual workplace or work outside normal business hours.

In limited circumstances, **you can claim** the cost of trips between home and work, where:

- you have shifting places of employment (that is, you don't have a fixed workplace and you continually travel from one work site to another during your workday)

- you carry bulky tools or equipment for work, and all of the following apply
  - the tools or equipment are essential to perform your employment duties and you don't carry them merely as a matter of choice
  - the tools or equipment are bulky – meaning that because of the size and weight they are awkward to transport and can only be transported conveniently by the use of a motor vehicle
  - there is no secure storage for the items at the workplace.

You can claim the cost of using a car you own when you drive:

- directly between separate jobs on the same day – for example, travelling from your main job as a mechanical engineer to your second job as a university lecturer
- to and from an alternate workplace for the same employer on the same day – for example, travelling from your office to a job site.

If you claim car expenses, you can use the logbook method or the cents per kilometre method to calculate your deduction. If you claim your work-related car expenses using one of these methods, you can't claim any further deductions in the same tax return for the same car – for example, petrol, servicing or insurance costs.

If your vehicle has a carrying capacity of one tonne or more, such as a ute or panel van, you can't use the cents per kilometre method or the logbook method to calculate your claim. You can claim the actual costs you incur for the work-related use of your vehicle.

Clothing and laundry expenses (including footwear)

With a few exceptions, clothing can't be deducted as a work-related expense.

You can't claim the cost to buy, hire, repair or clean conventional clothing you wear for work, even if your employer requires you to wear it and you only wear these items of clothing at work. 'Conventional clothing' is everyday clothing worn by people – for example, business attire.

You can claim the cost to buy, hire, repair or clean clothing if it is:

- protective – clothing which has protective features or functions which you wear to protect you from specific risks of injury or illness at work - for example, steel-capped boots, gloves or hi-vis vests.

You can't claim a deduction if your employer pays for or reimburses you for these expenses.

Self-education and study expenses

You can claim self-education and study expenses if your course relates directly to your employment as an engineer and it:

- maintains or improves the skills and knowledge you need for your current duties
- results in or is likely to result in an increase in your income from your current employment.

You can't claim a deduction if your study is only related in a general way or is designed to help you get a new job.

Working from home expenses

If you work from home, **you can claim** a deduction for expenses you incur that relate to your work. You must:

- use one of the methods set out by us to calculate your deduction
- keep the correct records for the method you use.

You can't claim:

- coffee, tea, milk and other general household items, even if your employer provides these at work
- items your employer provides – for example, a laptop or a phone
- any items where your employer pays for or reimburses you for the expense.

Meal and snack expenses

You can't claim the cost of food, drink or snacks you consume during your shift (even if you work split shifts or unusual hours, or you receive an allowance). These are private expenses.

If you receive an overtime meal allowance under an industrial law, award or agreement and it's included in your assessable income, **you can claim** the cost of the meal that you buy and eat when you work overtime.

Other expenses

You can claim the work-related portion of other expenses that relate to your employment, including:

- parking fees and tolls you incur when driving your vehicle for work-related purposes
- transport or car expenses covered by an award transport payment where you have actually spent the money on deductible work-related travel
- union and professional association fees
- phone and internet costs, with records showing your work-related use
- renewal fees for licences, regulatory permits, certificates or 'cards' that relate to your work (but you can't claim the cost of getting your initial licence to gain employment).

You can't claim private expenses such as childcare, music subscriptions or gym fees.

This is a general summary only. For more information, go to **ato.gov.au/engineer** or speak to a registered tax professional.

Factory worker

Download: Factory worker (PDF, 458KB)

If you're a factory worker it pays to learn what you can claim.

To claim a deduction for work-related expenses:

- you must have spent the money yourself and weren't reimbursed
- it must directly relate to earning your income
- you must have a record to prove it.

You can only claim the work-related portion of an expense. You can't claim a deduction for any part of an expense that does not directly relate to earning your income.

You can use the **myDeductions** tool in the ATO app to keep track of your expenses and receipts throughout the year.

Car expenses

You can't claim the cost of normal trips between home and work, even if you live a long way from your usual workplace or work outside normal business hours – for example, weekend or early morning shifts.

You can claim the cost of using a car you own when you drive:

- directly between separate jobs on the same day – for example, from your job as a factory worker to your second job as a bar assistant
- to and from an alternate workplace for the same employer on the same day – for example, from the warehouse to a job site.

In limited circumstances, **you can claim** the cost of trips between home and work, where you carry bulky tools or equipment for work. You can claim a deduction for the cost of these trips if all of the following apply:

- the tools or equipment are essential to perform your employment duties and you don't carry them merely as a matter of choice
- the tools or equipment are bulky – meaning that because of the size and weight they are awkward to transport and can only be transported conveniently by the use of a motor vehicle
- there is no secure storage for the items at the workplace.

If you claim car expenses, you can use the logbook method or the cents per kilometre method to calculate your deduction.

If you use the logbook method, you need to keep a valid logbook to work out the percentage of work-related use along with written evidence of your car expenses.

If you use the cents per kilometre method, you need to be able to show how you calculated your work-related kilometres and that those kilometres were work related.

If you claim your work-related car expenses using one of the above methods, you can't claim any further deductions in the same tax return for the same car. For example, servicing, and insurance costs.

Clothing and laundry expenses (including footwear)

With a few exceptions, clothing can't be deducted as a work-related expense.

You can't claim the cost to buy, hire, repair or clean conventional clothing you wear for work, even if your employer requires you to wear it and you only wear these items of clothing at work. 'Conventional clothing' is everyday clothing worn by people – for example, jeans or sneakers.

You can claim the cost to buy, hire, repair or clean clothing if it is:

- protective – items which have protective features and functions which you wear to protect you from specific risks of injury or illness at work. For example, steel-capped boots, gloves or fire-resistant clothing.

You can't claim a deduction if your employer pays for or reimburses you for these expenses.

Meal and snack expenses

You can't claim the cost of food, drink or snacks you consume during your normal working hours, even if you receive an allowance. These are private expenses.

If you receive an overtime meal allowance under an industrial law, award or agreement and it's included in your assessable income, **you can claim** the cost of the meal that you buy and eat when you work overtime.

Licences and certificates

You can't claim the initial cost of getting a special licence, condition on your licence or certificate in order to gain employment – for example, a forklift licence.

You can't claim the cost of getting or renewing your drivers licence, even if it is a condition of your employment.

You can claim the additional costs to renew a special licence, condition on your licence or certificate in order to perform your work duties.

For example, if you need to have a heavy vehicle permit to get your job, you can't claim the initial cost of getting it. However, you can claim the cost of renewing it during the period you are working.

Tools and equipment

You can claim the cost of tools and equipment you use for work, including repairs and insurance. For example, an air compressor, drill or hammer:

If a tool or equipment costs:

- more than $300 – you claim a deduction for the cost over a number of years (decline in value)
- $300 or less (and doesn't form part of a set that costs more than $300) you can claim an immediate deduction for the whole cost.

You can't claim tools and equipment that are supplied by your employer or another person.

If you also use the tools and equipment for private purposes, you can only claim the work-related portion. You will also need to apportion the cost of insurance and repairs between private and work-related use.

Other expenses

You can claim union fees, professional association fees and safety equipment such as goggles and breathing masks.

You can't claim private expenses, such as:

- parking at your normal place of work, or public transport, taxi or ride share expenses from home to work
- flu shots and other vaccinations, even if you're required to have them for work
- music subscriptions
- childcare fees.

You can't claim a deduction if the cost was met or reimbursed by your employer.

This is a general summary only. For more information, go to **ato.gov.au/factory** or speak to a registered tax professional.

Fire fighter

Download: Fire fighter (PDF, 399KB)

If you're a fire fighter it pays to learn what you can claim.

To claim a deduction for work-related expenses:

- you must have spent the money yourself and weren't reimbursed
- it must directly relate to earning your income

- you must have a record to prove it.

You can only claim the work-related portion of an expense. You can't claim a deduction for any part of an expense that does not directly relate to earning your income.

You can use the **myDeductions** tool in the ATO app to keep track of your expenses and receipts throughout the year.

Car expenses

You can't claim the cost of normal trips between home and work, even if you live a long way from your usual workplace or work outside normal business hours – for example, weekend or early morning shifts.

You can claim the cost of using a car you own when you drive:

- directly between separate jobs on the same day – for example, from your first job as a fire fighter to your second job as a first aid trainer
- to and from an alternate workplace for the same employer on the same day – for example, travelling from your station to a primary school to run a fire safety information session with students
- from home directly to an alternate workplace – for example, travelling from home to work at a station other than your normal station for the day.

In limited circumstances, **you can claim** the cost of trips between home and work, where you carry bulky tools or equipment for work. You can claim a deduction for the cost of these trips if all of the following apply:

- the tools or equipment are essential to perform your employment duties and you don't carry them merely as a matter of choice
- the tools or equipment are bulky – meaning that because of the size and weight they are awkward to transport and can only be transported conveniently by the use of a motor vehicle
- there is no secure storage for the items at the workplace.

If you claim car expenses, you can use the logbook method or the cents per kilometre method to calculate your deduction.

If you use the logbook method, you need to keep a valid logbook to work out the percentage of work-related use along with written evidence of your car expenses.

If you use the cents per kilometre method, you need to be able to show how you calculated your work-related kilometres and that those kilometres were work related.

If you claim your work-related car expenses using one of the above methods, you can’t claim any further deductions in the same tax return for the same car. For example, servicing, and insurance costs.

Clothing and laundry expenses (including footwear)

With a few exceptions, clothing can't be deducted as a work-related expense.

You can’t claim the cost to buy, hire, repair or clean conventional clothing you wear for work, even if your employer requires you to wear it and you only wear these items of clothing at work. 'Conventional clothing' is everyday clothing worn by people – for example, jeans or sneakers.

You can claim the cost to buy, hire, repair or clean clothing if it is:

- protective – items which have protective features and functions which you wear to protect you from specific risks of injury or illness at work. For example, steel-capped boots, gloves or fire-resistant clothing
- a compulsory uniform – clothing you are explicitly required to wear by a workplace agreement or policy, which is strictly and consistently enforced, and is sufficiently distinctive to your organisation - for example, your firefighting uniform.

You can’t claim a deduction if your employer pays for or reimburses you for these expenses.

Meal and snack expenses

You can’t claim the cost of food, drink or snacks you consume during your normal working hours, even if you receive an allowance. These are private expenses.

If you receive an overtime meal allowance under an industrial law, award or agreement and it’s included in your assessable income, **you can claim** the cost of the meal that you buy and eat when you work overtime.

Travel expenses

You can claim travel expenses if you travel away from your home overnight in the course of performing your employment duties. For example, travelling to another city to fight a fire. Travel expenses can include meals, accommodation, fares and incidental expenses you incur when travelling for work.

You can't claim a deduction if the travel is paid for, or you are reimbursed by your employer or another person.

Receiving a travel allowance from your employer does not automatically entitle you to a deduction. You still need to show that you were away overnight, you spent the money, and the travel directly relates to earning your employment income.

Other expenses

You can claim the work-related portion of other expenses that relate to your employment, including:

- phone and internet costs, with records showing your work-related use
- union and professional association fees
- additional costs you incur to renew a special licence or condition on your licence in order to perform your employment duties – for example, renewing a heavy vehicle permit (but **you can't claim** the cost of getting your initial licence to gain employment).

You can't claim private expenses such as:

- fitness expenses, except if your role requires a level of fitness well above ordinary firefighting standards
- the cost of getting or renewing your drivers licence, even if it is a condition of your employment
- attending social networking or fundraising events
- skin care products.

This is a general summary only and does not apply to volunteer fire fighters. For more information, go to ato.gov.au/firefighter or speak to a registered tax professional.

Fitness and sporting industry employees

Download: Fitness and sporting industry (PDF, 375KB)

If you're an employee in the fitness or sporting industry it pays to learn what you can claim.

To claim a deduction for work-related expenses:

- you must have spent the money yourself and weren't reimbursed
- it must directly relate to earning your income
- you must have a record to prove it.

You can only claim the work-related portion of an expense. You can't claim a deduction for any part of an expense that does not directly relate to earning your income.

You can use the **myDeductions** tool in the ATO app to keep track of your expenses and receipts throughout the year.

Car expenses

You can't claim the cost of normal trips between home and work, even if you live a long way from your workplace or have to work outside normal business hours – for example, weekend or early morning shifts.

You can claim the cost of using a car you own when you drive:

- directly between separate jobs on the same day – for example, driving from a gym that you work at to your second job as an umpire
- to and from an alternate workplace for the same employer on the same day – for example, between personal training venues or gyms.

If you claim car expenses, you can use the logbook method or the cents per kilometre method to calculate your deduction.

If you use the logbook method, you need to keep a valid logbook to work out the percentage of work-related use along with written evidence of your car expenses.

If you use the cents per kilometre method, you need to be able to show how you calculated your work-related kilometres and be able to show those kilometres were work-related.

If you claim your work-related car expenses using one of the above methods, you can't claim any further deductions in the same tax return for the same car. For example, petrol, servicing, and insurance costs.

Clothing and laundry expenses (including footwear)

With a few exceptions, clothing can't be deducted as a work-related expense.

You can't claim the cost to buy, hire, repair or clean conventional clothing you wear for work, even if your employer requires you to wear it and you only wear these items of clothing at work. 'Conventional clothing' is everyday clothing worn by people – for example, active wear, tracksuits or sports shoes.

You can claim the cost to buy, hire, repair or clean clothing if it is:

- a compulsory uniform – clothing you are explicitly required to wear by a workplace agreement or policy, which is strictly and consistently enforced, and is sufficiently distinctive to your organisation. For example, an embroidered shirt with your employer's logo that is compulsory for you to wear at work.
- non-compulsory uniforms that are registered with the Register of Approved Occupational Clothing (check with your employer if you're not sure).

Fitness expenses

You can't claim fitness expenses to maintain your fitness. This includes:

- gym fees
- the cost of a program specifically designed to manage weight
- the cost of normal food substitutes or the costs of foods for special dietary purposes
- the cost of vitamins, minerals, or sports supplements, such as protein shakes.

Self-education and study expenses

You can claim self-education and study expenses if your course relates directly to your employment as a fitness or sporting industry employee and it:

- maintains or improves the skills and knowledge you need for your current duties

- results in or is likely to result in an increase in income from your current employment.

You can't claim a deduction if your study is only related in a general way or is designed to help you get a new job. For example, you can't claim the cost of study to enable you to move from being a personal trainer to a physiotherapist.

Tools and equipment

You can claim the cost of:

- tools or equipment you use for work, such as exercise equipment
- insurance for your tools and equipment
- cost of repairs to your tools and equipment.

If the tool or equipment costs:

- more than $300 – you claim a deduction for the cost over a number of years (decline in value)
- $300 or less (and doesn't form part of a set that costs more than $300) – you can claim an immediate deduction for the whole cost.

Other expenses

You can claim the work-related portion of other expenses that relate to your employment, including:

- phone and internet costs, with records showing your work-related use
- union and professional association fees
- sunscreen, sunhats and sunglasses where your duties require you to spend prolonged periods working outdoors.

You can't claim private expenses such as music subscriptions, childcare or fines.

You can't claim a deduction if the cost was met or reimbursed by your employer.

This is a general summary only. For more information, go to **ato.gov.au/fitnessindustry** or speak to a registered tax professional.

Flight attendant

Download: Flight attendant (PDF, 423KB)

If you're a flight attendant it pays to learn what you can claim.

To claim a deduction for work-related expenses:

- you must have spent the money yourself and weren't reimbursed
- it must directly relate to earning your income
- you must have a record to prove it.

You can only claim the work-related portion of an expense. You can't claim a deduction for any part of an expense that does not directly relate to earning your income.

You can use the **myDeductions** tool in the ATO app to keep track of your expenses and receipts throughout the year.

Car expenses

You can't claim the cost of normal trips between home and work, even if you live a long way from your usual workplace, work outside normal business hours or work split shifts – for example, weekend or early morning shifts.

You can claim the cost of using a car you own when you drive:

- directly between separate jobs on the same day – for example, from your first job as a flight attendant to your second job as a trainer
- to and from an alternate workplace for the same employer on the same day – for example, from a training venue to the airport.

Travel expenses

You can claim travel expenses if you travel away from your home overnight in the course of performing your employment duties. 'Overnight' can be taken to mean a mandatory rest break after being on duty and before recommencing duty, that is of sufficient length for you to sleep (around 7 hours or more) and would usually involve you taking up accommodation for that purpose. Travel expenses can include meals, accommodation, fares and incidental expenses that you incur when travelling for work.

You can’t claim a deduction if the travel is paid for, or you are reimbursed by your employer or another person.

You can’t claim expenses for travelling between your home and your sign-on point.

Receiving a travel allowance from your employer does not automatically entitle you to a deduction. You still need to show that you were away overnight, you spent the money, and the travel directly relates to earning your employment income.

Clothing and laundry expenses (including footwear)

With a few exceptions, clothing can't be deducted as a work-related expense.

You can’t claim the cost to buy, hire, repair or clean conventional clothing you wear for work, even if your employer requires you to wear it and you only wear these items of clothing at work. 'Conventional clothing' is everyday clothing worn by people – for example, plain black shoes. However, if your employer has a strictly-enforced uniform policy that stipulates the characteristics of shoes you must wear such as their colour, style and type, and the shoes are an integral part of your uniform, you may claim a deduction for the purchase of these shoes. For example, black leather court shoes with minimum and maximum requirements for heel height and circumference.

You can claim the cost to buy, hire, repair or clean clothing if it is:

- a compulsory uniform – clothing you are explicitly required to wear by a workplace agreement or policy, which is strictly and consistently enforced, and is sufficiently distinctive to your organisation
- non-compulsory uniforms that are registered with the Register of Approved Occupational Clothing (check with your employer if you’re not sure).

You can’t claim a deduction if your employer pays for or reimburses you for these expenses.

Meal and snack expenses

You can’t claim the cost of food, drink or snacks you consume during your normal working hours, even if you receive an allowance. These are private expenses.

You can claim a deduction for food and drink that you purchase when you are travelling away from your home overnight in the course of performing your employment duties (see Travel expenses).

If you receive an overtime meal allowance under an industrial law, award or agreement and it's included in your assessable income, **you can claim** the cost of the meal that you buy and eat when you work overtime.

Other expenses

You can claim the work-related portion of other expenses that relate to your employment, including:

- union and professional association fees
- luggage and bags used for work-related purposes (if the luggage costs more than $300 you can claim the cost over a number of years (decline in value))
- phone and internet costs, with records showing your work-related use
- visa application fees when you are required to enter a country as part of your job
- rehydrating moisturisers and rehydrating hair conditioners used to combat the abnormal drying of skin and hair when working in the pressurised environment of an aircraft
- personal protective equipment you buy, such as gloves, face masks, sanitiser or anti-bacterial spray, given your duties require close proximity with customers.

You can't claim private expenses such as:

- music subscriptions
- childcare
- fines
- grooming (including hairdressing expenses, cosmetics, hair and skin care products), even though you may be paid an allowance for grooming and be expected to be well groomed
- flu shots and other vaccinations, even if you're required to have them for work

- parking at your normal place of work, or public transport, taxi or ride-share expenses from home to work, even if you work split shifts or work unusual hours.

You can't claim a deduction if the cost was met or reimbursed by your employer.

This is a general summary only. For more information, go to **ato.gov.au/flightattendants** or speak to a registered tax professional.

Gaming attendant

Download: [Gaming attendant (PDF, 369KB)]

If you're a gaming attendant it pays to learn what you can claim.

To claim a deduction for work-related expenses:

- you must have spent the money yourself and weren't reimbursed
- it must directly relate to earning your income
- you must have a record to prove it.

You can only claim the work-related portion of an expense. You can't claim a deduction for any part of an expense that does not directly relate to earning your income.

You can use the **myDeductions** tool in the ATO app to keep track of your expenses and receipts throughout the year.

Car expenses

You can't claim the cost of normal trips between home and work, even if you live a long way from your usual workplace, work outside normal business hours or work split shifts – for example, weekend or early morning shifts.

You can claim the cost of using a car you own when you drive:

- directly between separate jobs on the same day – for example, from your morning café shift to your second job as a gaming attendant
- to and from an alternate workplace for the same employer on the same day – for example, travelling directly between 2 different casinos for the same employer.

If you claim car expenses, you can use the logbook method or the cents per kilometre method to calculate your deduction.

Clothing and laundry expenses (including footwear)

With a few exceptions, clothing can't be deducted as a work-related expense.

You can't claim the cost to buy, hire, repair or clean conventional clothing you wear for work, even if your employer requires you to wear it and you only wear these items of clothing at work. 'Conventional clothing' is everyday clothing worn by people – for example, black pants, skirts, white collared shirts and plain black shoes.

You can claim the cost to buy, hire, repair or clean clothing if it is:

- a compulsory uniform – clothing you are explicitly required to wear by a workplace agreement or policy, which is strictly and consistently enforced, and is sufficiently distinctive to your organisation. For example, an embroidered shirt with your employer's logo that is compulsory for you to wear at work
- non-compulsory uniforms that are registered with the Register of Approved Occupational Clothing (check with your employer if you're not sure).

You can't claim a deduction if your employer pays for or reimburses you for these expenses.

Grooming

You can't claim the cost of hairdressing, cosmetics or hair and skin care products even though you may be expected to be well groomed at work. All grooming products are private expenses.

Meal and snack expenses

You can't claim the cost of food, drink or snacks you consume during your normal working hours, even if you receive a meal allowance. These are private expenses.

If you receive an overtime meal allowance under an industrial law, award or agreement and it's included in your assessable income, **you can claim** the cost of the meal that you buy and eat when you work overtime.

Other expenses

You can claim the work-related portion of other expenses that relate to your employment, including:

- union and professional association fees
- renewal fees for licences, regulatory permits, certificates, or 'cards' that relate to your work (but you can't claim the cost of getting your initial licence to gain employment)
- personal protective equipment you buy, such as gloves, face masks, sanitiser or anti-bacterial spray, if your job required close proximity with customers.

You can't claim private expenses, such as:

- parking at your normal place of work, or public transport, taxi or ride share expenses from home to work, even if you work split shifts or unusual hours
- phone and internet use where you only use your phone to communicate with your manager about your shifts or use the internet to check payslips or income statements
- paid television and streaming services
- watches
- music subscriptions
- childcare.

You can't claim a deduction if the cost was met or reimbursed by your employer.

This is a general summary only. For more information, go to ato.gov.au/gaming or speak to a registered tax professional.

Hairdresser or beauty therapist

Download: Hairdresser and beauty therapist (PDF, 432KB)

If you're employed as a hairdresser or beauty therapist it pays to learn what you can claim.

To claim a deduction for work-related expenses:

- you must have spent the money yourself and weren't reimbursed

- it must directly relate to earning your income
- you must have a record to prove it.

You can only claim the work-related portion of an expense. You can't claim a deduction for any part of an expense that does not directly relate to earning your income.

You can use the **myDeductions** tool in the ATO app to keep track of your expenses and receipts throughout the year.

Car expenses

You can't claim the cost of normal trips between home and work, even if you have to work outside normal hours – for example, late night shopping or on the weekend.

You can claim a deduction for the cost of using a car you own when you drive:

- directly between separate jobs on the same day – for example, from your hairdresser job to a second job with another employer
- to and from an alternate workplace for the same employer on the same day, such as between different salons owned by the same employer
- from home directly to an alternate workplace – for example, travelling from home to work at a salon other than your normal salon for the day.

If you claim car expenses, you can use the logbook method or the cents per kilometre method to calculate your deduction.

Clothing and laundry expenses (including footwear)

With a few exceptions, clothing can't be deducted as a work-related expense.

You can't claim the cost to buy, hire, repair or clean conventional clothing you wear for work, even if your employer requires you to wear it and you only wear these items of clothing at work. 'Conventional clothing' is everyday clothing worn by people – for example, black pants or a black skirt.

You can claim the cost to buy, hire, repair or clean clothing if it is:

- protective – clothing that has protective features or functions which you wear to protect you from specific risks of injury or illness at work. For example, an apron
- a compulsory uniform – clothing you are explicitly required to wear by a workplace agreement or policy, which is strictly and consistently enforced, and is sufficiently distinctive to your organisation
- non-compulsory uniforms that are registered with the Register of Approved Occupational Clothing (check with your employer if you're not sure).

You can't claim a deduction if your employer pays for or reimburses you for these expenses.

Tools and equipment

You can claim the cost of:

- tools or equipment you use for work, such as a wax pot, hair cutting tools or hair styling tools
- insurance for your tools and equipment
- repairs to your tools and equipment.

If a tool or equipment costs:

- more than $300 – you claim a deduction for the cost over a number of years (decline in value)
- $300 or less (and doesn't form part of a set that costs more than $300) – you can claim an immediate deduction for the whole cost.

You can't claim tools and equipment supplied by your employer or another person.

If you also use the tools and equipment for private purposes, you can only claim the work-related portion. You also need to apportion the cost of repairs between private and work-related use.

Self-education and study expenses

You can claim a deduction for self-education expenses if your course relates directly to your current job, and it:

- maintains or improves the skills and knowledge you need for your current duties – for example, an advanced colouring course for a hairdresser or training on current trends in make-up for a make-up artist
- results in or is likely to result in an increase in income from your current employment.

You can't claim a deduction if your study is only related in a general way or is designed to help you get a new job. For example, if you're a hairdresser you can't claim the cost of study to enable you to become a make-up artist.

Grooming expenses

You can't claim private grooming expenses, including hairdressing expenses, cosmetics, hair and skin care products or other beauty products, even though you may be expected to be well groomed at work. All grooming products are private expenses.

Other expenses

You can claim the work-related portion of other expenses that relate to your employment, including:

- union and professional association fees
- technical or professional publications
- personal protective equipment you buy, such as gloves, face masks, sanitiser or anti-bacterial spray, given your duties require close proximity with customers.

You can't claim private expenses such as music subscriptions, childcare, fines, flu shots and other vaccinations even if you're required to have them for work.

You can't claim a deduction if the cost was met or reimbursed by your employer.

This is a general summary only. For more information, go to **ato.gov.au/hairandbeauty** or speak to a registered tax professional.

Hospitality worker

Download: Hospitality worker (PDF, 426KB)

If you’re a hospitality worker it pays to learn what you can claim.

To claim a deduction for work-related expenses:

- you must have spent the money yourself and weren’t reimbursed
- it must directly relate to earning your income
- you must have a record to prove it.

You can only claim the work-related portion of an expense. You can't claim a deduction for any part of an expense that does not directly relate to earning your income.

You can use the **myDeductions** tool in the ATO app to keep track of your expenses and receipts throughout the year.

Clothing and laundry expenses (including footwear)

With a few exceptions, clothing can't be deducted as a work-related expense.

You can’t claim the cost to buy, hire, repair or clean conventional clothing you wear for work, even if your employer requires you to wear it and you only wear these items of clothing at work. 'Conventional clothing' is everyday clothing worn by people – for example, black pants or white shirt.

You can claim a deduction for the cost of buying, hiring, repairing or cleaning clothing if it is considered:

- protective – clothing that has protective features or functions which you wear to protect you from specific risks of injury or illness at work - for example, protective gloves or aprons
- a compulsory uniform – clothing you are explicitly required to wear by a workplace agreement or policy, which is strictly and consistently enforced, and is sufficiently distinctive to your organisation. For example, an embroidered shirt with your employer's logo that is compulsory for you to wear at work
- occupation-specific – clothing that distinctively identifies you as a person associated with a particular occupation. For example, chef's checked pants and chef's hat
- non-compulsory uniforms that are registered with the Register of Approved Occupational Clothing (check with your employer if you’re not sure).

You can't claim a deduction if your employer pays for or reimburses you for these expenses.

Car expenses

You can't claim the cost of trips between home and work, even if you live a long way from your usual workplace or have to work outside normal business hours – for example, public holidays or night shifts.

You can claim the cost of using a car you own when you drive:

- directly between separate jobs on the same day – for example, travelling from your first job as a waiter to your second job as a cleaner
- to and from an alternate workplace for the same employer on the same day – for example, travelling from the restaurant you work at to a catering function.

If you claim car expenses, you can use the logbook method or the cents per kilometre method to calculate your deduction.

Self-education and study expenses

You can claim self-education and study expenses if your course relates directly to your employment as a hospitality worker and it:

- maintains or improves the skills and knowledge you need for your current duties – for example, a barista course if you are already working in a coffee shop
- results in or is likely to result in an increase in income from your current employment.

You can't claim a deduction if your study is only related in a general way or is designed to help get you a new job. For example, you can't claim the cost of study to enable you to move from being a food delivery driver to be a chef.

You can't claim a deduction if your employer pays for or reimburses you for these expenses.

Tools and equipment

You can claim the cost of:

- tools or equipment you use for work, such as chef knives

- insurance for your tools and equipment
- repairs to your tools and equipment.

If a tool or equipment costs:

- more than $300 – you claim a deduction for the cost over a number of years (decline in value)
- cost $300 or less (and doesn't form part of a set that costs more than $300) – you can claim an immediate deduction for the whole cost.

You can't claim tools and equipment that are supplied by your employer or another person.

If you also use the tools and equipment for private purposes, you can only claim the work-related portion. You also need to apportion the cost of insurance and repairs between private and work-related use.

Other expenses

You can claim the work-related portion of other expenses that relate to your employment, including:

- union and professional association fees
- renewing your responsible service of alcohol certificate or gaming. You can't claim a deduction for the cost of getting your initial licence
- personal protective equipment you buy, such as gloves, face masks, sanitiser or anti-bacterial spray, if your job required close proximity with customers.

You can't claim private expenses such as music subscriptions, childcare, fines, flu shots and other vaccinations, even if you're required to have them for work.

You can't claim a deduction if the cost was met or reimbursed by your employer.

This is a general summary only. For more information, go to **ato.gov.au/hospitality** or speak to a registered tax professional.

IT professional

Download: [IT professional (PDF, 393KB)]

If you’re an IT professional it pays to learn what you can claim.

To claim a deduction for work-related expenses:

- you must have spent the money yourself and weren’t reimbursed
- it must directly relate to earning your income
- you must have a record to prove it.

You can only claim the work-related portion of an expense. You can't claim a deduction for any part of an expense that does not directly relate to earning your income.

You can use the **myDeductions** tool in the ATO app to keep track of your expenses and receipts throughout the year.

Car expenses

You can’t claim the cost of normal trips between home and work, even if you live a long way from your usual workplace or have to work outside normal business hours – for example, travelling at night to reboot computer servers.

You can claim the cost of using a car you own when you drive:

- directly between separate jobs on the same day – for example, you work for 2 different employers
- to and from an alternate workplace for the same employer on the same day – for example, a computer technician who travels from their office to a client's premises.

In limited circumstances, **you can claim** the cost of trips between home and work, where you:

- have shifting places of employment (that is, you don't have a fixed workplace and you continually travel from one work site to another during your workday)
- carry bulky tools or equipment for work and all of the following apply
  - the tools or equipment are essential for you to perform your employment duties and you don't carry them merely as a matter of choice
  - the tools or equipment are bulky – meaning that because of their size and weight they are awkward to transport and can only be

transported conveniently by the use of a motor vehicle

  - there is no secure storage for items at the workplace.

If you claim car expenses, you can use the logbook method or the cents per kilometre method to calculate your deduction.

If you use the logbook method, you need to keep a valid logbook to work out the percentage of work-related use along with written evidence of your car expenses.

If you use the cents per kilometre method, you need to be able to show how you calculated your work-related kilometres and that those kilometres were work related.

If you claim your work-related car expenses using one of the above methods, you can't claim any further deductions in the same tax return for the same car. For example, petrol, servicing, and insurance costs.

Working from home expenses

If you work from home, **you can claim** a deduction for expenses you incur that relate to your work. You must:

- use one of the methods set out by us to calculate your deduction
- keep the correct records for the method you use.

You can't claim:

- coffee, tea, milk and other general household items, even if your employer provides these at work
- items your employer provides – for example, a laptop or a phone
- any items where your employer pays for or reimburses you for the expense.

Self-education and study expenses

You can claim self-education and study expenses if your course relates directly to your employment and it:

- maintains or improves the skills and knowledge you need for your current duties
- results in or is likely to result in an increase in income from your current employment.

For example, taking a course to learn how to use new software required to perform your work duties.

You can’t claim a deduction if your study is only related in a general way or is designed to help get you a new job. For example, you can't claim a deduction if you are a software programmer studying to be a project manager.

Clothing and laundry expenses (including footwear)

With a few exceptions, clothing can't be deducted as a work-related expense.

You can’t claim the cost to buy, hire, repair or clean conventional clothing you wear for work, even if your employer requires you to wear it and you only wear these items of clothing at work. 'Conventional clothing' is everyday clothing worn by people. For example, business attire worn by office workers.

Other expenses

You can claim the work-related portion of other expenses that relates to your employment, including:

- phone and internet costs, with records showing your work-related use
- tools and equipment you use for work. If the tool or equipment costs
  - more than $300 – you claim a deduction for the cost over a number of years (decline in value)
  - $300 or less (and doesn’t form part of a set that costs more than $300) – you can claim an immediate deduction for the whole cost
- seminars, conferences and training courses
- technical or professional publications
- union and professional association fees.

You can’t claim private expenses such as music subscriptions, childcare or fines.

You can’t claim a deduction if the cost was met or reimbursed by your employer.

This is a general summary only. For more information, go to **ato.gov.au/IT** or speak to a registered tax professional.

Lawyer

Download: Lawyer (PDF, 434KB)

If you're a lawyer it pays to learn what you can claim.

To claim a deduction for work-related expenses:

- you must have spent the money yourself and weren't reimbursed
- it must directly relate to earning your income
- you must have a record to prove it.

You can only claim the work-related portion of an expense. You can't claim a deduction for any part of an expense that does not directly relate to earning your income.

You can use the **myDeductions** tool in the ATO app to keep track of your expenses and receipts throughout the year.

Car expenses

You can't claim the cost of normal trips between home and work, even if you live a long way from your usual workplace or have to work outside normal business hours.

You can claim the cost of using a car you own when you drive:

- directly between separate jobs on the same day – for example, from the Supreme Court to represent a client to your second job as a university lecturer
- to and from an alternate workplace for the same employer on the same day – for example, from your office to visit a client in custody or attend court.

If you claim car expenses, you can use the logbook method or the cents per kilometre method to calculate your deduction.

If you use the logbook method, you need to keep a valid logbook to work out the percentage of work-related use along with written evidence of your car expenses.

If you use the cents per kilometre method, you need to be able to show how you calculated your work-related kilometres and that those kilometres were work related.

If you claim your work-related car expenses using one of the above methods, you can’t claim any further deductions in the same tax return for the same car. For example, petrol, servicing, and insurance costs.

Travel expenses

You can claim travel expenses if you travel away from your home overnight in the course of performing your employment duties - for example, travelling interstate to represent a client at the High Court of Australia. Travel expenses can include meals, accommodation, fares and incidental expenses that you incur when travelling for work.

You can’t claim a deduction if the travel is paid for, or you are reimbursed by your employer or another person.

Receiving a travel allowance from your employer does not automatically entitle you to a deduction. You still need to show that you were away overnight, you spent the money, and the travel directly relates to earning your employment income.

Clothing and laundry expenses (including footwear)

With a few exceptions, clothing can't be deducted as a work-related expense.

You can’t claim the cost to buy, hire, repair or clean conventional clothing you wear for work, even if your employer requires you to wear it and you only wear these items of clothing at work. 'Conventional clothing' is everyday clothing worn by people – for example, suits, ties, cufflinks or business attire.

You can claim the cost of buying, hiring, repairing or cleaning clothing if it is occupation-specific – clothing that distinctively identifies you as a person associated with a particular occupation. For example, a judge's robes.

You can’t claim a deduction if your employer pays for or reimburses you for these expenses.

Self-education and study expenses

You can claim self-education and study expenses if your course relates directly to your employment as a lawyer and it:

- maintains or improves the skills and knowledge you need for your current duties
- results in or is likely to result in an increase in income from your current employment.

For example, training, seminars or conferences you attend to meet your continued professional development (CPD) points.

You can't claim a deduction if your study is only related in a general way or is designed to help you get a new job. For example, you can't claim for the cost of taking a personal development or stress management course.

Working from home expenses

If you work from home, **you can claim** a deduction for expenses you incur that relate to your work. You must:

- use one of the methods set out by us to calculate your deduction
- keep the correct records for the method you use.

You can't claim:

- coffee, tea, milk and other general household items, even if your employer provides these at work
- items your employer provides – for example, a laptop or a phone

Other expenses

You can claim the work-related portion of other expenses that relate to your employment, including:

- renewing your annual practising certificates
- parking fees and tolls when you drive your car for work-related purposes
- Supreme Court Library fees
- professional indemnity insurance
- union and professional association fees
- technical or professional publications.

You can't claim:

- costs met or reimbursed by your employer
- admission fees
- fines
- club membership fees, even if it is to meet clients – for example, golf membership fees
- entertainment expenses or social functions – for example, business lunches, galas or social nights
- gifts or greeting cards you buy for clients
- private expenses, such as personal grooming or childcare fees.

This is a general summary only. For more information, go to **ato.gov.au/lawyer** or speak to a registered tax professional.

Meat processing worker

Download: Meat processing worker (PDF, 443KB)

If you're a meat processing worker it pays to learn what you can claim.

To claim a deduction for work-related expenses:

- you must have spent the money yourself and weren't reimbursed
- it must directly relate to earning your income
- you must have a record to prove it.

You can only claim the work-related portion of an expense. You can't claim a deduction for any part of an expense that does not directly relate to earning your income.

You can use the **myDeductions** tool in the ATO app to keep track of your expenses and receipts throughout the year.

Car expenses

You can't claim the cost of normal trips between home and work, even if you live a long way from your usual workplace or have to work outside normal business hours – for example, weekend or early morning shifts.

You can claim the cost of using your car when you drive:

- directly between separate jobs on the same day – for example, from your first job as a meat processor directly to your second job as a butcher
- to and from an alternate workplace for the same employer on the same day – for example, between the abattoirs and your work site.

In limited circumstances, **you can claim** the cost of trips between home and work, where you carry bulky tools or equipment for work. You can claim a deduction for the cost of these trips if all of the following apply:

- the tools or equipment are essential to perform your employment duties and you don’t carry them merely as a matter of choice
- the tools or equipment are bulky – meaning that because of the size and weight they are awkward to transport and can only be transported conveniently by the use of a motor vehicle
- there is no secure storage for the items at the workplace.

If knives, steels used to sharpen knives and protective clothing are the only items that you are expected to carry for work purposes, these are not considered bulky and **you can’t claim** a deduction.

If you claim car expenses, you can use the logbook method or the cents per kilometre method to calculate your deduction.

If you use the logbook method, you need to keep a valid logbook to work out the percentage of work-related use along with written evidence of your car expenses.

If you use the cents per kilometre method, you need to be able to show how you calculated your work-related kilometres and that those kilometres were work related.

If you claim your work-related car expenses using one of the above methods, you can’t claim any further deductions in the same tax return for the same car. For example, petrol, servicing, and insurance costs.

Clothing and laundry expenses (including footwear)

With a few exceptions, clothing can't be deducted as a work-related expense.

You can’t claim the cost to buy, hire, repair or clean conventional clothing you wear for work, even if your employer requires you to wear it and you only wear these items of clothing at work. 'Conventional clothing' is everyday clothing worn by people. For example, jeans or plain shirts worn under protective coats.

You can claim the cost to buy, hire, repair or clean clothing if it is:

- protective – clothing with protective features or functions that you wear to protect you from specific risks of injury or illness at work - for example, cut-resistant gloves, protective overalls or protective boots
- a compulsory uniform – clothing you are explicitly required to wear by a workplace agreement or policy, which is strictly and consistently enforced, and is sufficiently distinctive to your organisation.

You can't claim a deduction if your employer pays for or reimburses you for these expenses.

Meal and snack expenses

You can't claim the cost of food, drink or snacks you consume during your normal working hours, even if you receive an allowance. These are private expenses.

If you receive an overtime meal allowance under an industrial law, award or agreement and it's included in your assessable income, **you can claim** the cost of the meal that you buy and eat when you work overtime.

Tools and equipment

You can claim the cost of:

- tools or equipment you use for work, such as knives and sharpening stones
- insurance for your tools and equipment
- repairs to your tools and equipment.

If a tool or equipment costs:

- more than $300 – you claim a deduction for the cost over a number of years (decline in value)
- $300 or less (and doesn't form part of a set that costs more than $300) – you can claim an immediate deduction for the whole cost.

You can't claim tools and equipment that are supplied by your employer or another person.

If you also use the tools and equipment for private purposes, you can only claim the work-related portion. You also need to apportion the cost of insurance and repairs between private and work-related use.

Other expenses

You can claim the work-related portion of other expenses that relate to your employment, such as union and professional association fees.

You can't claim private expenses such as childcare, fines, music, a flu shot or vaccinations, including Q fever vaccination.

You can't claim a deduction if the cost was met or reimbursed by your employer.

This is a general summary only. For more information, go to **ato.gov.au/meatindustry** or speak to a registered tax professional.

Media professional

Download: Media professional (PDF, 438KB)

If you're a media professional it pays to learn what you can claim.

To claim a deduction for work-related expenses:

- you must have spent the money yourself and weren't reimbursed
- it must directly relate to earning your income
- you must have a record to prove it.

You can only claim the work-related portion of an expense. You can't claim a deduction for any part of an expense that does not directly relate to earning your income.

You can use the **myDeductions** tool in the ATO app to keep track of your expenses and receipts throughout the year.

Car expenses

You can't claim the cost of normal trips between home and work, even if you live a long way from your usual workplace or have to work outside normal business hours – for example, weekend or early morning shifts.

In limited circumstances, **you can claim** the cost of trips between home and work, where you have you have shifting places of employment (that is, you don't have a fixed workplace and you continually travel from one work site to another during your workday.

You can claim the cost of using a car you own when you drive:

- directly between separate jobs on the same day – for example, from your job with a newspaper to your second job as a TV presenter
- to and from an alternate workplace for the same employer on the same day – for example, between 2 TV studios.

You can't claim a deduction when using a vehicle provided by your employer, unless you covered the cost of fuel, were not reimbursed by your employer and the cost was a result of you performing your employment duties.

If you claim car expenses, you can use the logbook method or the cents per kilometre method to calculate your deduction.

If you use the logbook method, you need to keep a valid logbook to work out the percentage of work-related use along with written evidence of your car expenses.

If you use the cents per kilometre method, you need to be able to show how you calculated your work-related kilometres and that those kilometres were work related.

If you claim your work-related car expenses using one of the above methods, you can't claim any further deductions in the same tax return for the same car. For example, petrol, servicing, and insurance costs.

Travel expenses

You can claim a deduction for travel expenses if you travel away from your home overnight in the course of performing your employment duties – for example, travelling interstate to conduct an interview. Travel expenses can include meals, accommodation, fares and incidental expenses you incur when travelling for work.

You can't claim a deduction if the travel is paid for, or you are reimbursed by your employer or another person.

Receiving a travel allowance from your employer does not automatically entitle you to a deduction. You still need to show that you were away overnight, you spent the money, and the travel directly relates to earning your employment income.

Clothing and laundry expenses (including footwear)

With a few exceptions, clothing can't be deducted as a work-related expense.

You can't claim the cost to buy, hire, repair or clean conventional clothing you wear for work, even if your employer requires you to wear it and you only wear these items of clothing at work. 'Conventional clothing' is everyday clothing worn by people – for example, jeans or business attire worn by office workers.

Working from home expenses

If you work from home, **you can claim** a deduction for expenses you incur that relate to your work. You must:

- use one of the methods set out by us to calculate your deduction
- keep the correct records for the method you use.

You can't claim:

- coffee, tea, milk and other general household items, even if your employer provides these at work
- items your employer provides – for example, a laptop or a phone.

Tools and equipment

You can claim the cost of tools and equipment you use for work, including repairs and insurance. For example, video camera or editing tools.

If a tool or item of work equipment cost:

- more than $300 – you claim a deduction for the cost over a number of years (decline in value)
- $300 or less (and doesn't form part of a set that costs more than $300) – you can claim an immediate deduction for the whole cost.

If you also use the tools and equipment for private purposes, you can only claim the work-related portion.

Other expenses

You can claim the work-related portion of other expenses that relate to your employment, including:

- union and professional association fees
- technical or professional publications
- buying or subscribing to a professional publication, newspaper, news service or magazine or pay TV if you can show
  - a direct connection between your specific work duties and the content
  - the content is specific to your employment and is not general in nature
- phone and internet costs, with records showing your work-related use.

You can't claim a deduction for your drivers licence, hairdressing, cosmetics, hair and skin care product expenses even though you may be expected to be well groomed at work.

You can't claim the cost of food, drink or snacks you consume during your normal working hours, even if you receive an allowance. These are private expenses.

This is a general summary only. For more information, go to **ato.gov.au/mediaprofessional** or speak to a registered tax professional.

Miner

Download: Miners (PDF, 429KB)

If you're a miner it pays to learn what you can claim.

To claim a deduction for work-related expenses:

- you must have spent the money yourself and weren't reimbursed
- it must directly relate to earning your income
- you must have a record to prove it.

You can only claim the work-related portion of an expense. You can't claim a deduction for any part of an expense that does not directly relate to earning your income.

You can use the **myDeductions** tool in the ATO app to keep track of your expenses and receipts throughout the year.

Car expenses

You can't claim the cost of normal trips between home and work, even if you live a long way from your usual workplace or have to work outside normal business hours.

You can claim the cost of using a car you own when you drive:

- directly between separate jobs on the same day – for example, you work for two different employers
- to and from an alternate workplace for the same employer on the same day – for example, travel from a depot to a mine site.

In limited circumstances, **you can claim** the cost of trips between home and work, such as where you carry bulky tools or equipment for work. You can claim a deduction for the cost of these trips if all of the following apply:

- the tools or equipment are essential to perform your employment duties and you don't carry them merely as a matter of choice
- the tools or equipment are bulky, meaning that because of the size and weight they are awkward to transport and can only be transported conveniently by the use of a motor vehicle
- there is no secure storage for the items at the workplace.

If you claim car expenses, you can use the logbook method or the cents per kilometre method to calculate your deduction.

If you use the logbook method, you need to keep a valid logbook to work out the percentage of work-related use along with written evidence of your car expenses.

If you use the cents per kilometre method, you need to be able to show how you calculated your work-related kilometres and that those kilometres were work related.

If you claim your work-related car expenses using one of the above methods, you can't claim any further deductions in the same tax return for the same car – for example, petrol, servicing, and insurance costs.

Travel expenses

You can claim travel expenses if you travel away from your home overnight in the course of performing your employment duties. For example, travelling interstate to complete a work health and safety course. Travel expenses can include meals, accommodation, fares and incidental expenses you incur when travelling for work.

Circumstances may be different for fly-in fly-out (FIFO) or drive-in drive-out (DIDO) workers.

You can't claim a deduction if the travel is paid for, or you are reimbursed by your employer or another person.

Receiving a travel allowance from your employer does not automatically entitle you to a deduction. You still need to show that you were away overnight, you spent the money, and the travel directly relates to earning your employment income.

Clothing and laundry expenses (including footwear)

With a few exceptions, clothing can't be deducted as a work-related expense.

You can't claim the cost to buy, hire, repair or clean conventional clothing you wear for work, even if your employer requires you to wear it and you only wear these items of clothing at work. 'Conventional clothing' is everyday clothing worn by people – for example, jeans, drill shirts and plain pants.

You can claim the cost to buy, hire, repair or clean clothing if it is:

- protective – clothing that has protective features or functions which you wear to protect you from specific risks of injury or illness at work. For example, steel-capped boots or fire-resistant clothing
- a compulsory uniform – clothing you are explicitly required to wear by a workplace agreement or policy, which is strictly and consistently enforced, and is sufficiently distinctive to your organisation
- non-compulsory uniforms that are registered with the Register of Approved Occupational Clothing (check with your employer if you're not sure).

You can't claim a deduction if your employer pays for or reimburses you for these expenses.

Meal and snack expenses

You can't claim the cost of food, drink or snacks you consume during your normal working hours, even if you receive an allowance. These are private expenses.

If you receive an overtime meal allowance under an industrial law, award or agreement and it's included in your assessable income, **you can claim** the cost of the meal that you buy and eat when you work overtime.

Other expenses

You can claim the work-related portion of other expenses that relate to your employment, including:

- sunscreen, sunhats and sunglasses where your duties require you to spend prolonged periods working outdoors
- phone and internet costs, with records showing your work-related use
- renewing a special licence, condition on your licence or certificate in order to perform your work duties. For example, if you need to have a forklift licence to get your job, you can't claim the initial cost of getting the licence. However, you can claim the cost of renewing it during the period you are working.

You can't claim private expenses such as music subscriptions, childcare or fines.

You can't claim a deduction if the cost was met or reimbursed by your employer.

This is a general summary only. For more information, go to ato.gov.au/mining or speak to a registered tax professional.

Nurse or midwife

Download: Nurse or midwife (PDF, 440KB)

If you're a nurse or midwife it pays to learn what you can claim.

To claim a deduction for work-related expenses:

- you must have spent the money yourself and weren't reimbursed
- it must directly relate to earning your income
- you must have a record to prove it.

You can only claim the work-related portion of an expense. You can't claim a deduction for any part of an expense that does not directly relate to earning your income.

You can use the myDeductions tool in the ATO app to keep track of your expenses and receipts throughout the year.

Car expenses

You can’t claim the cost of normal trips between home and work, even if you live a long way from your usual workplace or have to work outside normal business hours – for example, public holidays or early morning shifts.

In limited circumstances, **you can claim** the cost of trips between home and work, where you have shifting places of employment (that is, you don't have a fixed workplace and you continually travel from one work site to another during your workday).

You can claim the cost of using a car you own when you drive:

- directly between separate jobs on the same day – for example, travelling from your first job as a nurse to your second job as a university lecturer
- to and from an alternate workplace for the same employer on the same day – for example, driving between clinics for the same employer.

If you claim car expenses, you can use the logbook method or the cents per kilometre method to calculate your deduction.

If you use the logbook method, you need to keep a valid logbook to work out the percentage of work-related use along with written evidence of your car expenses.

If you use the cents per kilometre method, you need to be able to show how you calculated your work-related kilometres and that those kilometres were work related.

If you claim your work-related car expenses using one of the above methods, you can’t claim any further deductions in the same tax return for the same car. For example, petrol, servicing, and insurance costs.

Clothing and laundry expenses (including footwear)

With a few exceptions, clothing can't be deducted as a work-related expense.

You can’t claim the cost to buy, hire, repair or clean conventional clothing you wear for work, even if your employer requires you to wear it and you only wear these items of clothing at work. 'Conventional clothing' is everyday clothing worn by people. For example, white shirt and black pants.

You can claim the cost of buying, hiring, repairing or cleaning clothing if it considered:

- protective – clothing that has protective features and functions which you wear to protect you from specific risks of injury or illness at work. For example, non-slip nursing shoes or scrubs
- a compulsory uniform – clothing you are explicitly required to wear by a workplace agreement or policy, which is strictly and consistently enforced, and is sufficiently distinctive to your organisation.

You can’t claim a deduction if your employer pays for or reimburses you for these expenses.

Phone, data and internet expenses

You can claim phone, data and internet costs apportioned for private and work use, with records showing your work-related use.

You can't claim phone, data and internet use where you only use your phone to communicate with your manager about your shifts or use the internet to check payslips, rosters or income statements.

Self-education and study expenses

You can claim self-education and study expenses if your course relates directly to your employment as a nurse or midwife and it:

- maintains or improves the skills and knowledge you need for your current duties
- results in or is likely to result in an increase in income from your current employment.

For example, continuing professional development to maintain your registration or taking a Master of Health (Advanced Nursing) to maintain or improve the specific skills and knowledge you require as a nurse.

You can't claim a deduction if your study is only related in a general way or is designed to help you get a new job. For example, you can't claim for your Bachelor of Accounting if you're working as a nurse.

You can't claim a deduction if your employer pays for or reimburses you for these expenses.

Other expenses

You can claim the work-related portion of other expenses that relate to your employment, including:

- union and professional association fees
- agency commissions and agency fees, and annual practising certificate fees
- technical or professional publications
- tools and equipment, such as a stethoscope or a pin watch
- personal protective equipment you buy, such as gloves, face masks, sanitiser or anti-bacterial spray, if your job required close proximity with patients.

You can't claim private expenses such as music subscriptions, childcare, fines, flu shots and other vaccinations, even if you're required to have them for work.

You can't claim a deduction if the cost was met or reimbursed by your employer.

This is a general summary only. For more information, go to **ato.gov.au/nurse** or speak to a registered tax professional.

Office worker

Download: Office worker (PDF, 467KB)

If you're an office worker it pays to learn what you can claim.

To claim a deduction for work-related expenses:

- you must have spent the money yourself and weren't reimbursed
- it must directly relate to earning your income

- you must have a record to prove it.

You can only claim the work-related portion of an expense. You can't claim a deduction for any part of an expense that does not directly relate to earning your income.

You can use the **myDeductions** tool in the ATO app to keep track of your expenses and receipts throughout the year.

Car expenses

You can’t claim the cost of normal trips between home and work, even if you live a long way from your usual workplace or have to work outside normal business hours – for example, having to work late to speak to a colleague in a different time zone.

You can claim the cost of using a car you own when you drive:

- directly between separate jobs on the same day – for example, from your first job as a receptionist to your second job as a musician
- to and from an alternate workplace for the same employer on the same day – for example, travelling from your regular office to a different office to attend a meeting.

If you claim car expenses, you can use the logbook method or the cents per kilometre method to calculate your deduction.

If you use the logbook method, you need to keep a valid logbook to work out the percentage of work-related use along with written evidence of your car expenses.

If you use the cents per kilometre method, you need to be able to show how you calculated your work-related kilometres and that those kilometres were work related.

If you claim your work-related car expenses using one of the above methods, you can’t claim any further deductions in the same tax return for the same car. For example, petrol, servicing, and insurance costs.

Travel expenses

You can claim travel expenses if you travel away from your home overnight in the course of performing your employment duties. For example, travelling interstate to attend a conference. Travel expenses can include meals, accommodation, fares and incidental expenses you incur when travelling for work.

You can't claim a deduction if the travel is paid for, or you are reimbursed by your employer or another person.

Receiving a travel allowance from your employer does not automatically entitle you to a deduction. You still need to show that you were away overnight, you spent the money, and the travel directly relates to earning your employment income.

Clothing and laundry expenses (including footwear)

With a few exceptions, clothing can't be deducted as a work-related expense.

You can’t claim the cost to buy, hire, repair or clean conventional clothing you wear for work, even if your employer requires you to wear it and you only wear these items of clothing at work. 'Conventional clothing' is everyday clothing worn by people – for example, business attire.

You can claim the cost to buy, hire, repair or clean clothing if it is:

- a compulsory uniform – clothing you are explicitly required to wear by a workplace agreement or policy, which is strictly and consistently enforced, and is sufficiently distinctive to your organisation. For example, an embroidered shirt with your employer's logo that is compulsory for you to wear at work
- non-compulsory uniforms that are registered with the Register of Approved Occupational Clothing (check with your employer if you’re not sure).

You can't claim a deduction if your employer pays for or reimburses you for these expenses.

Self-education and study expenses

You can claim self-education and study expenses if your course relates directly to your employment as an officer worker and it:

- maintains or improves the skills and knowledge you need for your current duties
- results in or is likely to result in an increase in income from your current employment.

For example, taking a Certificate 3 in Business Administration to maintain or improve the specific skills and knowledge you require as an office administrator.

You can’t claim a deduction if your study is only related in a general way or is designed to help you get a new job. For example, you can't claim for your Bachelor of Business if you're working as an office assistant.

You can't claim a deduction if your employer pays for or reimburses you for these expenses.

Working from home expenses

If you work from home, **you can claim** a deduction for expenses you incur that relate to your work. You must:

- use one of the methods set out by us to calculate your deduction
- keep the correct records for the method you use.

You can’t claim:

- coffee, tea, milk and other general household items, even if your employer provides these at work
- items your employer provides – for example, a laptop or a phone
- any items where your employer pays for or reimburses you for the expense.

Other expenses

You can claim the work-related portion of other expenses that relate to your employment, including:

- seminars and conferences
- technical or professional publications
- union and professional association fees.

You can’t claim private expenses such as prescription glasses or contact lenses, music subscriptions, childcare, fines, flu shots and other vaccinations, even if you’re required to have them for work.

You can’t claim a deduction if the cost was met or reimbursed by your employer.

This is a general summary only. For more information, go to **ato.gov.au/office** or speak to a registered tax professional.

Paramedic

Download: Paramedic (PDF, 457KB)

If you're a paramedic it pays to learn what you can claim.

To claim a deduction for work-related expenses:

- you must have spent the money yourself and weren't reimbursed
- it must directly relate to earning your income
- you must have a record to prove it.

You can only claim the work-related portion of an expense. You can't claim a deduction for any part of an expense that does not directly relate to earning your income.

You can use the **myDeductions** tool in the ATO app to keep track of your expenses and receipts throughout the year.

Car expenses

You can't claim the cost of normal trips between home and work, even if you live a long way from your usual workplace or have to work outside normal business hours – for example, weekend or early morning shifts.

You can claim the cost of using a car you own when you drive:

- directly between separate jobs on the same day – for example, from your first job as a paramedic to your second job as a first aid trainer
- to and from an alternate workplace for the same employer on the same day – for example, travelling from your ambulance station to a meeting at head office
- from home directly to an alternate workplace – for example, travelling from home to work at a station other than your normal station for the day.

If you claim car expenses, you can use the logbook method or the cents per kilometre method to calculate your deduction.

If you use the logbook method, you need to keep a valid logbook to work out the percentage of work-related use along with written evidence of your car expenses.

If you use the cents per kilometre method, you need to be able to show how you calculated your work-related kilometres and that those kilometres were work related.

If you claim your work-related car expenses using one of the above methods, you can't claim any further deductions in the same tax return for the same car. For example, petrol, servicing, and insurance costs.

Travel expenses

You can claim travel expenses if you travel away from your home overnight in the course of performing your employment duties – for example, travelling interstate to attend a conference. Travel expenses can include meals, accommodation, fares and incidental expenses you incur when travelling for work.

You can't claim a deduction if the travel is paid for, or you are reimbursed by your employer or another person.

Clothing and laundry expenses (including footwear)

You can claim the cost to buy, hire, repair or clean clothing if it is:

- protective – items that have protective features and functions which you wear to protect you from specific risks of injury or illness at work
- a compulsory uniform – clothing you are explicitly required to wear by a workplace agreement or policy, which is strictly and consistently enforced, and is sufficiently distinctive to your organisation.

You can't claim the cost to buy, hire, repair or clean conventional clothing you wear for work, even if your employer requires you to wear it and you only wear these items of clothing at work. 'Conventional clothing' is everyday clothing worn by people – for example, gym attire, plain shirts or sneakers.

You can't claim a deduction if your employer pays for or reimburses you for these expenses.

Meal and snack expenses

You can't claim the cost of food, drink or snacks you consume during your normal working hours, even if you receive an allowance. These are private expenses.

If you receive an overtime meal allowance under an industrial law, award or agreement and it's included in your assessable income, **you can claim** the cost of the meal that you buy and eat when you work overtime.

Fitness expenses

You can't claim fitness expenses, such as gym fees, to maintain your fitness.

In very limited circumstances, **you can claim** fitness expenses if your role requires you to maintain a fitness level well above the normal paramedic standard and strenuous physical activity is an essential and regular part of your work. For example, paramedics who work in specialist rescue operations and are regularly tested on their fitness, such as vertical access (cliff and building), white water survival and snowfield work.

Other expenses

You can claim the work-related portion of other expenses that relate to your employment, including:

- phone and internet costs, with records showing your work-related use
- sunscreen, sunhats and sunglasses where your duties require you to spend prolonged periods working outdoors
- union and professional association fees
- tools and equipment, such as a stethoscope or a pin watch (if these items cost more than $300, you must claim the cost over a number of years (decline in value))
- additional costs you incur to renew a special licence or condition on your licence in order to drive the ambulance vehicle – for example, a heavy vehicle permit
- personal protective equipment you buy, such as gloves, face masks, sanitiser or anti-bacterial spray, as your job required close proximity with patients.

You can't claim private expenses such as:

- getting or renewing your drivers license
- attending social functions
- haircuts or grooming
- rent or other living expenses – even if you are working at a different station or a remote location for an extended period
- flu shots and other vaccinations, even if you're required to have them for work.

You can't claim a deduction if the cost was met or reimbursed by your employer.

This is a general summary only. For more information, go to **ato.gov.au/paramedic** or speak to a registered tax professional.

Performing artist

Download: Performing artist (PDF, 434KB)

If you're employed as a performing artist it pays to learn what you can claim.

To claim a deduction for work-related expenses:

- you must have spent the money yourself and weren't reimbursed
- it must directly relate to earning your income
- you must have a record to prove it.

You can only claim the work-related portion of an expense. You can't claim a deduction for any part of an expense that does not directly relate to earning your income.

You can use the **myDeductions** tool in the ATO app to keep track of your expenses and receipts throughout the year.

Car expenses

You can't claim the cost of normal trips between home and work, even if you live a long way from your usual workplace or have to work outside normal business hours – for example, weekend or early morning shifts.

You can claim the cost of using a car you own when you drive:

- directly between separate jobs on the same day – for example, from your rehearsal for a musical production to your second job as a dance teacher
- to and from an alternate workplace for the same employer on the same day – for example, travelling from a costume fitting directly to the commercial shoot.

In limited circumstances, **you can claim** the cost of trips between home and work, where you carry bulky tools or equipment for work. You can claim a deduction for the cost of these trips if all of the following apply:

- the tools or equipment are essential to perform your employment duties and you don't carry them merely as a matter of choice
- the tools or equipment are bulky – meaning that because of the size and weight they are awkward to transport and can only be transported conveniently by the use of a motor vehicle
- there is no secure storage for the items at the workplace.

If you claim car expenses, you can use the logbook method or the cents per kilometre method to calculate your deduction.

If you use the logbook method, you need to keep a valid logbook to work out the percentage of work-related use along with written evidence of your car expenses.

If you use the cents per kilometre method, you need to be able to show how you calculated your work-related kilometres and that those kilometres were work related.

If you claim your work-related car expenses using one of the above methods, you can't claim any further deductions in the same tax return for the same car. For example, petrol, servicing, and insurance costs.

Travel expenses

You can claim travel expenses if you travel away from your home overnight in the course of performing your employment duties. For example, travelling interstate to shoot a scene for an advertisement. Travel expenses can include meals, accommodation, fares and incidental expenses that you incur when travelling for work.

You can't claim travel to an audition or interview to apply for a new role.

You can't claim a deduction if the travel is paid for, or you are reimbursed by your employer or another person.

Clothing and laundry expenses (including footwear)

With a few exceptions, clothing can't be deducted as a work-related expense.

You can't claim the cost to buy, hire, repair or clean conventional clothing you wear for work, even if your employer requires you to wear it and you only wear these items of clothing at work. 'Conventional clothing' is everyday clothing worn by people – for example, black pants and white shirts worn by members of an orchestra or general exercise clothing and sneakers for rehearsal.

You can claim the cost to buy, hire, repair or clean clothing if it is:

- a compulsory uniform – you are explicitly required to wear by a workplace agreement or policy, which is strictly and consistently enforced, and is sufficiently distinctive to your organisation
- occupation-specific – clothing that distinctively identifies you as a person associated with a particular occupation. For example, a burlesque dancer can claim costumes and dance shoes that are distinctive to the role.

You can't claim a deduction if your employer pays for or reimburses you for these expenses.

Grooming expenses

You can claim the cost of:

- a particular hairstyle if it's required for a role
- hairdressing to maintain a required hair length or style as part of a costume for continuity purposes
- stage makeup, including the cost of cleansing materials for removing stage makeup.

You can't claim the cost of hairdressing, cosmetics, hair and skin care products not relating to your role or costume. All grooming products not relating to your role are private expenses.

Other expenses

You can claim the work-related portion of other expenses that relate to your employment, including:

- the cost of researching a role or character that you have been employed to play
- agent's fees (but you can’t claim the upfront or joining fee)
- phone and internet costs, with records showing your work-related use
- maintaining a photographic portfolio (you can’t claim the initial cost of preparing the portfolio)
- multimedia.

You can’t claim private expenses such as:

- entertainment expenses or social functions – for example, awards nights or galas
- pay television and streaming service
- fitness expenses (there are very limited circumstances where fitness expenses can be claimed and only those who perform strenuous physical activities as a regular part of their role can claim, like a trapeze artist or tumbler with a circus)
- preparing for or attending auditions, as you incur these expenses in getting work rather than doing work.

You can’t claim a deduction if the cost was met or reimbursed by your employer.

This is a general summary only. For more information, go to ato.gov.au/performingartist or speak to a registered tax professional.

Pilot

Download: Pilot (PDF, 399KB)

If you’re a pilot it pays to learn what you can claim.

To claim a deduction for work-related expenses:

- you must have spent the money yourself and weren’t reimbursed
- it must directly relate to earning your income
- you must have a record to prove it.

You can only claim the work-related portion of an expense. You can't claim a deduction for any part of an expense that does not directly relate to earning your income.

You can use the myDeductions tool in the ATO app to keep track of your expenses and receipts throughout the year.

Car expenses

You can’t claim the cost of normal trips between home and work, even if you live a long way from your usual workplace or you are on-call and are called in to work a shift.

You can claim the cost of using a car you own when you drive:

- directly between separate jobs on the same day – for example, from your first job as a pilot to your second job as a cadet trainer
- to and from an alternate workplace for the same employer on the same day – for example, from the airport to the airline training centre.

If you claim car expenses, you can use the logbook method or the cents per kilometre method to calculate your deduction.

Travel expenses

You can claim travel expenses if you travel away from your home overnight in the course of performing your employment duties. 'Overnight' could include a mandatory rest break after being on duty and before recommencing duty, that is of sufficient length for you to sleep (around seven hours or more) and would usually involve you taking up accommodation for that purpose. Travel expenses can include meals, accommodation, fares and incidental expenses that you incur when travelling for work.

You can't claim a deduction if the travel is paid for, or you are reimbursed by your employer or another person.

You can’t claim expenses for travelling between your home and your usual sign-on point. For example, if you live in Melbourne and your usual sign-on point is Newcastle, you can’t claim the travel, accommodation or meals when you travel between Melbourne and Newcastle.

Receiving a travel allowance from your employer does not automatically entitle you to a deduction. You still need to show you were away overnight, you spent the money, and the travel directly relates to earning your employment income.

Clothing and laundry expenses (including footwear)

With a few exceptions, clothing can't be deducted as a work-related expense.

You can’t claim the cost to buy, hire, repair or clean conventional clothing you wear for work, even if your employer requires you to wear it and you only wear these items of clothing at work. 'Conventional clothing' is everyday clothing worn by people. For example, clothing bought deliberately to look like a passenger when travelling and general business attire worn by pilots, such as plain black pants or black shoes.

However, if your employer has a strictly-enforced uniform policy that stipulates the characteristics of shoes you must wear such as their colour, style and type, and the shoes are an integral part of your uniform, you may claim a deduction for the purchase of these shoes. For example, black leather court shoes with minimum and maximum requirements for heel height and circumference.

You can claim the cost to buy, hire, repair or clean clothing if it is:

- a compulsory uniform – clothing you are explicitly required to wear by a workplace agreement or policy, which is strictly and consistently enforced, and is sufficiently distinctive to your organisation. For example, your pilot uniform
- non-compulsory uniforms that are registered with the Register of Approved Occupational Clothing (check with your employer if you’re not sure).

Meal and snack expenses

You can claim a deduction for the cost of food, drinks, or snacks that you purchase when you are travelling away from home overnight (take your mandatory rest break) in the course of performing your employment duties (see Travel expenses).

Other expenses

You can claim the work-related portion of other expenses that relate to your employment, including:

- aviation medical appointments and examinations required by the Civil Aviation Safety Authority
- anti-glare glasses, if used to counter glare and protect against illness or injury
- rehydrating moisturisers and rehydrating hair conditioners
- the decline in value of luggage used for work purposes (if the luggage cost less than $300, the entire cost can be claimed)
- union and professional association fees
- visa applications and fees when you are required to enter a country as part of your job
- renewing your pilot's licence (you can't claim the initial cost of getting it)
- phone and internet costs, apportioned for private and work use.

You can't claim private expenses such as:

- gaming consoles or flight simulator games
- watches, including chronograph watches
- sunscreen (depending on the type of aircraft and the level of sun protection it has)
- mobile phone holders for the aircraft
- flu shots and other vaccinations
- parking at or near a regular place of work or tolls you incur for trips between your home and work.

You can't claim the cost of food, drinks, or snacks while performing your duties, if you don't travel away from your home overnight (take your mandatory rest break). This is the case even if you receive an allowance. For example, if you fly domestic routes during the day which allow you to return to your home at night.

This is a general summary only. For more information, go to **ato.gov.au/pilot** or speak to a registered tax professional.

Police officer

Download: [Police officer (PDF, 427KB)]

If you're a police officer it pays to learn what you can claim.

To claim a deduction for work-related expenses:

- you must have spent the money yourself and weren't reimbursed
- it must directly relate to earning your income
- you must have a record to prove it.

You can only claim the work-related portion of an expense. You can't claim a deduction for any part of an expense that does not directly relate to earning your income.

You can use the **myDeductions** tool in the ATO app to keep track of your expenses and receipts throughout the year.

Car expenses

You can't claim the cost of normal trips between home and work, even if you live a long way from your usual workplace or have to work outside normal business hours – for example, night or public holiday shifts.

You can claim the cost of using a car you own when you drive:

- directly between separate jobs on the same day – for example, from your first job as a police officer to your second job as a security guard
- to and from an alternate workplace for the same employer on the same day – for example, travelling from the police station to a crime scene
- from home directly to an alternate workplace – for example, travelling from home to work at a station other than your normal station for the day.

In limited circumstances, **you can claim** the cost of trips between home and work, where you carry bulky tools or equipment for work. You can claim a deduction for the cost of these trips if all of the following apply:

- the tools or equipment are essential to perform your employment duties and you don't carry them merely as a matter of choice
- the tools or equipment are bulky – meaning that because of the size and weight they are awkward to transport and can only be

transported conveniently by the use of a motor vehicle

- there is no secure storage for the items at the workplace.

If you claim car expenses, you can use the logbook method or the cents per kilometre method to calculate your deduction.

If you use the logbook method, you need to keep a valid logbook to work out the percentage of work-related use along with written evidence of your car expenses.

If you use the cents per kilometre method, you need to be able to show how you calculated your work-related kilometres and that those kilometres were work related.

If you claim your work-related car expenses using one of the above methods, you can't claim any further deductions in the same tax return for the same car. For example, petrol, servicing, and insurance costs.

Clothing and laundry expenses (including footwear)

You can claim buying, hiring, repairing or cleaning clothing if it is:

- a compulsory uniform – clothing you are explicitly required to wear by a workplace agreement or policy, which is strictly and consistently enforced, and is sufficiently distinctive to your organisation
- protective – items that have protective features and functions which you wear to protect you from specific risks of injury or illness at work.

You can't claim the cost to buy, hire, repair or clean conventional clothing you wear for work, even if your employer requires you to wear it and you only wear these items of clothing at work. 'Conventional clothing' is everyday clothing worn by people – for example, business attire or gym wear.

If you're working as an undercover police officer, you may be able to claim a deduction for the cost of conventional clothing you wore during a specific operation. The clothing must be directly related to your income-earning activities as a police officer. For example, clothing worn to pose as a member of a gang.

You can't claim a deduction if your employer pays for or reimburses you for these expenses.

Phone, data and internet expenses

You can claim phone, data and internet costs apportioned for private and work use, with records showing your work-related use.

You can't claim phone, data and internet use where you only use your phone to communicate with your manager about your shifts or use the internet to check payslips, rosters or income statements.

Self-education and study expenses

You can claim self-education and study expenses if your course relates directly to your employment as a police officer and it:

- maintains or improves the skills and knowledge you need for your current duties
- results in or is likely to result in an increase in income from your current employment.

You can’t claim a deduction if your study is only related in a general way or is designed to help you get a new job. For example, you can't claim for your Bachelor of Nursing if you're working as a police officer.

Other expenses

You can claim the work-related portion of other expenses that relate to your employment, including:

- union and professional association fees
- technical or professional publications
- personal protective equipment you buy, such as gloves, face masks, sanitiser or anti-bacterial spray, if your job required close proximity with customers.

You can’t claim private expenses such as:

- haircuts, grooming, weight loss programs or supplies even though there may be specific regulations
- attending social functions
- fitness expenses (except if your role requires a level of fitness well above ordinary police standards, such as special operations)
- flu shots and other vaccinations, even if you’re required to have them for work.

This is a general summary only. For more information, go to [ato.gov.au/police] or speak to a registered tax professional.

Public servant

Download: Public servant (PDF, 395KB)

If you're a public servant, it pays to learn what you can claim.

To claim a deduction for work-related expenses:

- you must have spent the money yourself and weren't reimbursed
- it must directly relate to earning your income
- you must have a record to prove it.

You can only claim the work-related portion of an expense. You can't claim a deduction for any part of an expense that does not directly relate to earning your income.

You can use the **myDeductions** tool in the ATO app to keep track of your expenses and receipts throughout the year.

Car expenses

You can't claim the cost of normal trips between home and work, even if you live a long way from your usual workplace or have to work outside normal business hours – for example, having to work late to speak to a colleague in a different time zone.

You can claim the cost of using a car you own when you drive:

- directly between separate jobs on the same day – for example, from your public service job to a second job as a musician
- to and from an alternate workplace for the same employer on the same day – for example, travelling to a different office to attend a meeting.

If you claim car expenses, you can use the logbook method or the cents per kilometre method to calculate your deduction.

If you use the logbook method, you need to keep a valid logbook to work out the percentage of work-related use along with written evidence of your car expenses.

If you use the cents per kilometre method, you need to be able to show how you calculated your work-related kilometres and that those kilometres were work related.

If you claim your work-related car expenses using one of the above methods, you can’t claim any further deductions in the same tax return for the same car. For example, petrol, servicing, and insurance costs.

Clothing and laundry expenses (including footwear)

With a few exceptions, clothing can't be deducted as a work-related expense.

You can’t claim the cost to buy, hire, repair or clean conventional clothing you wear for work, even if your employer requires you to wear it and you only wear these items of clothing at work. 'Conventional clothing' is everyday clothing worn by people – for example, business attire worn by office workers.

Self-education and study expenses

You can claim self-education and study expenses if your course relates directly to your employment and it:

- maintains or improves the skills and knowledge you need for your current duties
- results in or is likely to result in an increase in income from your current employment.

You can’t claim a deduction if your study is only related in a general way or is designed to help get you a new job – for example, a health and wellbeing course.

You can’t claim a deduction if your employer pays for or reimburses you for these expenses.

Working from home expenses

If you work from home, **you can claim** a deduction for expenses you incur that relate to your work. You must:

- use one of the methods set out by us to calculate your deduction
- keep the correct records for the method you use.

You can’t claim:

- coffee, tea, milk and other general household items, even if your employer provides these at work

- items your employer provides – for example, a laptop or a phone
- any items where your employer pays for or reimburses you for the expense.

Other expenses

You can claim the work-related portion of other expenses if it relates to your employment, including:

- seminars, training and conferences
- technical or professional publications
- phone and internet costs, with records showing your work-related use
- union and professional association fee.

You can't claim private expenses such as prescription glasses or contact lenses, music subscriptions, childcare or fines.

You can't claim a deduction if the cost was met or reimbursed by your employer.

This is a general summary only. For more information, go to **ato.gov.au/office** or speak to a registered tax professional.

Real estate professional

Download: Real estate professional (PDF, 482KB)

If you're a real estate professional, it pays to learn what you can claim.

To claim a deduction for work-related expenses:

- you must have spent the money yourself and weren't reimbursed
- it must directly relate to earning your income
- you must have a record to prove it.

You can only claim the work-related portion of an expense. You can't claim a deduction for any part of an expense that does not directly relate to earning your income.

You can use the **myDeductions** tool in the ATO app to keep track of your expenses and receipts throughout the year.

Car expenses

You can’t claim the cost of normal trips between home and work, even if you live a long way from your usual workplace or have to work outside normal business hours.

You can claim the cost of using a car you own when you drive:

- directly between separate jobs on the same day
- to and from an alternate workplace for the same employer on the same day – for example, travelling between the office to residential open homes.

In limited circumstances, **you can claim** the cost of trips between home and work, where you have shifting places of employment (that is, you have no fixed place of work and you continually travel from one work site to another throughout your workday).

If you claim car expenses, you can use the logbook method or the cents per kilometre method to calculate your deduction.

If you use the logbook method, you need to keep a valid logbook to work out the percentage of work-related use along with written evidence of your car expenses.

If you use the cents per kilometre method, you need to be able to show how you calculated your work-related kilometres and that those kilometres were work related.

If you claim your work-related car expenses using one of the above methods, you can’t claim any further deductions in the same tax return for the same car. For example, petrol, servicing, and insurance costs.

Clothing and laundry expenses (including footwear)

With a few exceptions, clothing can't be deducted as a work-related expense.

You can’t claim the cost to buy, hire, repair or clean conventional clothing you wear for work, even if your employer requires you to wear it and you only wear these items of clothing at work. 'Conventional clothing' is everyday clothing worn by people – for example, business attire.

You can claim the cost to buy, hire, repair or clean clothing if it is:

- a compulsory uniform – clothing you are explicitly required to wear by a workplace agreement or policy, which is strictly and consistently enforced, and is sufficiently distinctive to your organisation
- non-compulsory uniforms that are registered with the Register of Approved Occupational Clothing (check with your employer if you're not sure).

You can't claim a deduction if your employer pays for or reimburses you for these expenses.

Working from home expenses

If you work from home, **you can claim** a deduction for expenses you incur that relate to your work. You must:

- use one of the methods set out by us to calculate your deduction
- keep the correct records for the method you use.

You can't claim:

- coffee, tea, milk and other general household items, even if your employer provides these at work
- items your employer provides – for example, a laptop or a phone
- any items where your employer pays for or reimburses you for the expense.

Tools and equipment

You can claim the tools or equipment you use for work.

If a tool or equipment costs:

- more than $300 – you claim a deduction for the cost over a number of years (decline in value)
- $300 or less (and doesn't form part of a set that costs more than $300) – you can claim an immediate deduction for the whole cost.

You can't claim tools and equipment that are supplied by your employer or another person.

If you also use the tools and equipment for private purposes, you can only claim the work-related portion.

Gifts

You can claim a deduction for the cost of gifts you buy for work purposes if you are a salesperson or property manager entitled to receive your income from commission or both commission and retainer.

You can't claim a deduction for gifts you buy if you earn a fixed income and you are not entitled to earn a commission.

You can't claim a deduction for gifts that are in the form of entertainment – for example, tickets to a live sporting event.

Other expenses

You can claim the work-related portion of other expenses if it relates to your employment, including:

- advertising your services – for example, through newspapers, letterbox drops and signage (however you can't claim a deduction for the cost of advertising if you earn your income from a fixed salary and you aren't entitled to earn commission)
- phone and internet costs, with records showing your work-related use
- renewing your annual Certificate of Registration.

You can't claim private expenses such as drivers licence, grooming (hairdressing expenses or cosmetics), music subscriptions, childcare or fines.

You can't claim a deduction if the cost was met or reimbursed by your employer.

This is a general summary only. For more information, go to **ato.gov.au/realestate** or speak to a registered tax professional.

Recruitment consultant

Download: Recruitment consultant (PDF, 425KB)

If you're a recruitment consultant it pays to learn what you can claim.

To claim a deduction for work-related expenses:

- you must have spent the money yourself and weren't reimbursed
- it must directly relate to earning your income

- you must have a record to prove it.

You can only claim the work-related portion of an expense. You can't claim a deduction for any part of an expense that does not directly relate to earning your income.

You can use the **myDeductions** tool in the ATO app to keep track of your expenses and receipts throughout the year.

Car expenses

You can't claim the cost of trips between home and work, even if you live a long way from your usual workplace, work outside normal business hours or work split shifts – for example, weekend or early morning shifts.

You can claim the cost of using a car you own when you drive:

- directly between separate jobs on the same day – for example, from your first job as a recruitment consultant to your second job as a career counsellor
- to and from an alternate workplace for the same employer on the same day – for example, from your usual workplace to attend a professional development workshop at a conference centre.

If you claim car expenses, you can use the logbook method or the cents per kilometre method to calculate your deduction.

If you use the logbook method, you need to keep a valid logbook to work out the percentage of work-related use along with written evidence of your car expenses.

If you use the cents per kilometre method, you need to be able to show how you calculated your work-related kilometres and be able to show that those kilometres were work related.

If you claim your work-related car expenses using one of the above methods, you can't claim any further deductions in the same tax return for the same car. For example, petrol, servicing, and insurance costs.

Clothing and laundry expenses (including footwear)

With a few exceptions, clothing can't be deducted as a work-related expense.

You can't claim the cost to buy, hire, repair or clean conventional clothing you wear for work, even if your employer requires you to wear it and you only wear these items of clothing at work. 'Conventional clothing' is everyday clothing worn by people – for example, business attire.

You can claim the cost to buy, hire, repair or clean clothing if it is:

- a compulsory uniform – clothing you are explicitly required to wear by a workplace agreement or policy, which is strictly and consistently enforced, and is sufficiently distinctive to your organisation
- non-compulsory uniforms that are registered with the Register of Approved Occupational Clothing (check with your employer if you're not sure).

You can't claim a deduction if your employer pays for or reimburses you for these expenses.

Seminars, conferences and training courses

You can claim for the cost of seminars, conferences and training courses that relate to your work as a recruitment consultant.

If there is a private component to attending the seminar, conference or training course, then you may not be able to claim all of your expenses.

You can't claim for the cost of a course if it is only related in a general way to your current employment or designed to help you get a new job. For example, you can't claim the cost of study to become an engineer.

You can't claim a deduction if your employer pays for or reimburses you for these expenses.

Working from home expenses

If you work from home, **you can claim** a deduction for expenses you incur that relate to your work. You must:

- use one of the methods set out by us to calculate your deduction
- keep the correct records for the method you use.

You can't claim:

- coffee, tea, milk and other general household items, even if your employer provides these at work
- items your employer provides – for example, a laptop or a phone
- any items where your employer pays for or reimburses you for the expense.

Other expenses

You can claim the work-related portion of other expenses if it relates to your employment including:

- parking fees and tolls when you drive your car for work-related purposes - see car expenses conditions above
- premium recruitment subscriptions, such as LinkedIn Subscription, Recruiter Lite
- phone and internet costs, with records showing your work-related use
- union and professional association fees.

You can't claim private expenses such as:

- parking at your normal place of work or public transport, taxis or ride share expenses from home to work, even if you work split shifts or unusual hours
- medical or childcare fees
- grooming expenses – hairdressing, cosmetics and skin care products
- the cost of entertainment or social functions – for example, business lunches, galas or networking evenings.

You can't claim a deduction if the cost was met or reimbursed by your employer.

This is a general summary only. For more information, go to **ato.gov.au/recruitmentconsultant** or speak to a registered tax professional.

Retail

Download: Retail industry worker (PDF, 428KB)

If you work in retail it pays to learn what you can claim.

To claim a deduction for work-related expenses:

- you must have spent the money yourself and weren’t reimbursed
- it must directly relate to earning your income
- you must have a record to prove it.

You can only claim the work-related portion of an expense. You can't claim a deduction for any part of an expense that does not directly relate to earning your income.

You can use the myDeductions tool in the ATO app to keep track of your expenses and receipts throughout the year.

Car expenses

You can’t claim the cost of normal trips between home and work, even if you live a long way from your usual workplace or have to work outside normal business hours or work split shifts– for example, weekend or early morning shifts.

You can claim the cost of using a car you own when you drive:

- directly between separate jobs on the same day – for example, from your retail job to your second job as a waiter
- to and from an alternate workplace for the same employer on the same day – for example, between separate retail stores for the same employer.

If you claim car expenses, you can use the logbook method or the cents per kilometre method to calculate your deduction.

If you use the logbook method, you need to keep a valid logbook to work out the percentage of work-related use along with written evidence of your car expenses.

If you use the cents per kilometre method, you need to be able to show how you calculated your work-related kilometres and that those kilometres were work related.

If you claim your work-related car expenses using one of the above methods, you can’t claim any further deductions in the same tax return for the same car. For example, petrol, servicing, and insurance costs.

Clothing and laundry expenses (including footwear)

With a few exceptions, clothing can't be deducted as a work-related expense.

You can't claim the cost to buy, hire, repair or clean conventional clothing you wear for work, even if your employer requires you to wear it and you only wear these items of clothing at work. 'Conventional clothing' is everyday clothing worn by people. For example, business attire or clothing sold in the retail store you work.

You can claim the cost to buy, hire, repair or clean clothing if it is:

- a compulsory uniform – clothing you are explicitly required to wear by a workplace agreement or policy, which is strictly and consistently enforced, and is sufficiently distinctive to your organisation. For example, an embroidered shirt with your employer's logo that is compulsory for you to wear at work
- non-compulsory uniforms that are registered with the Register of Approved Occupational Clothing (check with your employer if you're not sure).

You can't claim a deduction if your employer pays for or reimburses you for these expenses.

Self-education and study expenses

You can claim self-education and study expenses if your course relates directly to your current job – for example, a customer service course.

You can't claim a deduction if your study is only related in a general way or is designed to help get you a new job – for example, a health and wellbeing course.

Grooming expenses

You can't claim a deduction for hairdressing, cosmetics, hair and skin care products, even if your employer requires you to use them and you work in a store that sells them.

Meal and snack expenses

You can't claim the cost of food, drink or snacks you consume during your normal working hours, even if you receive an allowance. These are private expenses.

If you receive an overtime meal allowance under an industrial law, award or agreement and it's included in your assessable income, **you can claim** the cost of the meal that you buy and eat when you work overtime.

Other expenses

You can claim the work-related part of other expenses that relate to your employment, including:

- union and professional association fees
- personal protective equipment you buy, such as gloves, face masks, sanitiser or anti-bacterial spray, given that your job requires you to be in close proximity with customers.

You can't claim:

- costs met or reimbursed by your employer
- phone and internet use where your only work-related use is to communicate with your manager about your work shifts, or to check payslips or payment summaries
- parking at your normal place of work, or public transport, taxi or ride-share expenses from home to work, even if you work split shifts or unusual hours
- flu shots and other vaccinations, even if you're required to have them for work.

You can't claim a deduction if the cost was met or reimbursed by your employer.

This is a general summary only. For more information, go to ato.gov.au/retail or speak to a registered tax professional.

Ride-sourcing drivers

Download: Ride-sourcing drivers (PDF, 305KB)

What you need to know about your tax obligations

If you provide ride-sourcing services, here's a handy summary of your tax obligations.

Income tax

Income tax applies to your ride-sourcing income.

You need to:

- lodge a tax return regardless of how much you earn from ride-sourcing because you are operating a business
- include what you earn (such as fares, tips and bonuses) as business income in your tax return
- only claim deductions to the extent that they directly relate to providing ride-sourcing services
- keep records of all your income and expenses.

You can use the **myDeductions** tool in the ATO app to keep track of your income and expenses.

GST

Goods and services tax (GST) applies to every dollar you earn as a ride-sourcing driver.

You need to:

- have an Australian business number (ABN)
- register for GST from the day you start, regardless of how much you earn
- pay GST on the full fare
- lodge business activity statements monthly or quarterly (you can't lodge annually)
- know how to issue a tax invoice (you need to provide one for fares over $82.50 if asked).

Calculate GST on the full fare

GST must be calculated on the full fare, not the net amount you receive after deducting any fees or commission.

Example

If a passenger pays $55 for a fare:

- the GST payable is $5 (1/11th of the fare)
- the digital platform takes out their fees or commission (for example, $11) and pays you $44
- if the digital platform fee of $11 includes GST, you may be entitled to claim a GST credit of $1 (1/11th of the fee).

GST credits

You may be able to claim GST credits for business purchases you make. You claim these when you lodge your BAS.

If you claim a GST credit for an expense, you can only claim the remaining amount (the total cost minus GST) as a deduction in your tax return.

You must have a tax invoice to claim a GST credit for purchases that cost more than $82.50 (including GST).

Expenses you can claim

You can claim deductions for expenses to the extent that they directly relate to providing ride-sourcing services.

Expenses **you may be able to claim** include:

- depreciation (decline in value) for assets you own, such as your car
- fees or commission charged by the digital platform
- fuel
- lease payments for a car
- parking fees
- bottled water, mints, tissues, and newspapers provided for the use of your passengers
- wipes, sanitisers and anti-bacterial spray provided for passengers and used to clean your vehicle
- tolls (if not paid for by the passenger)
- tax agent fees and payments for similar services

- state or territory **commercial** licences and approvals (such as driver accreditation, driver registration and application fees, medical tests and police checks).

You may be eligible for a range of concessions if you're a small business entity, such as the instant asset write-off. As part of the 2023–24 Budget, the Australian Government announced the instant asset write-off threshold will increase to $20,000 from 1 July 2023 until 30 June 2024. This measure is not yet law.

When calculating your claim, you must apportion your expenses between business and private use, only claiming a deduction for the business portion.

Expenses you can't claim

There are some expenses you can't claim because they're personal expenses or not allowed under the law.

Expenses **you can't claim** include:

- the cost of getting and maintaining a **private** drivers licence
- fines (for example, speeding or parking fines)
- fuel tax credits
- personal or private expenses (such as meals you purchase while on a break, or private use of the car).

Calculating car expenses

There are two methods to work out car expenses for sole traders:

- cents per kilometre travelled
- keeping a logbook to calculate the amount of car expenses claimed.

These methods can only be used to claim expenses for a car you owned or leased. You are treated as the owner if you held the car under a hire purchase agreement.

If you use the cents per kilometre method, you can’t make a separate claim for depreciation of the car’s value.

This is a general summary only. For more information, go to ato.gov.au/ridesourcing or speak to a registered tax professional.

Sales and marketing

Download: Sales and marketing (PDF, 449KB)

If you work in sales and marketing it pays to learn what you can claim.

To claim a deduction for work-related expenses:

- you must have spent the money yourself and weren't reimbursed
- it must directly relate to earning your income
- you must have a record to prove it.

You can only claim the work-related portion of an expense. You can't claim a deduction for any part of an expense that does not directly relate to earning your income.

You can use the **myDeductions** tool in the ATO app to keep track of your expenses and receipts throughout the year.

Car expenses

You can't claim the cost of normal trips between home and work, even if you live a long way from your usual workplace or have to work outside normal business hours.

You can claim the cost of using a car you own when you drive:

- directly between separate jobs on the same day
- to and from an alternate workplace for the same employer on the same day.

In limited circumstances, **you can claim** the cost of trips between home and work, where you:

- have shifting places of employment (that is, you have no fixed place of work and you continually travel from one work site to another throughout your workday)
- carry bulky tools or equipment for work and all of the following apply
  - the tools or equipment are essential for you to perform your employment duties and you don't carry them merely as a matter of choice
  - the tools or equipment were bulky – meaning that because of the size and weight they are awkward to transport and can only be

    transported conveniently by the use of a motor vehicle
  - there was no secure storage for such items at the workplace.

If you claim car expenses, you can use the logbook method or the cents per kilometre method to calculate your deduction.

If you use the logbook method, you need to keep a valid logbook to work out the percentage of work-related use along with written evidence of your car expenses.

If you use the cents per kilometre method, you need to be able to show how you calculated your work-related kilometres and that those kilometres were work related.

If you claim your work-related car expenses using one of the above methods, you can't claim any further deductions in the same tax return for the same car. For example, servicing, and insurance costs.

Travel expenses

You can claim travel expenses if you travel away from your home overnight in the course of performing your employment duties - for example, travelling interstate to attend a conference. Travel expenses can include meals, accommodation, fares and incidental expenses you incur when travelling for work.

You can't claim a deduction if the travel is paid for, or you are reimbursed by your employer or another person.

Clothing and laundry expenses (including footwear)

With a few exceptions, clothing can't be deducted as a work-related expense.

You can't claim the cost to buy, hire, repair or clean conventional clothing you wear for work, even if your employer requires you to wear it and you only wear these items of clothing at work. 'Conventional clothing' is everyday clothing worn by people – for example, business attire.

You can claim the cost to buy, hire, repair or clean clothing if it is:

- a compulsory uniform – clothing you are explicitly required to wear by a workplace agreement or policy, which is strictly and consistently enforced, and is sufficiently distinctive to your organisation

- non-compulsory uniforms that are registered with the Register of Approved Occupational Clothing (check with your employer if you're not sure).

You can't claim a deduction if your employer pays for or reimburses you for these expenses.

Tools and equipment

You can claim the cost of tools and equipment you use for work, including repairs and insurance.

If a tool or equipment costs:

- more than $300 – you claim a deduction for the cost over a number of years (decline in value)
- $300 or less (and doesn't form part of a set that costs more than $300) – you can claim an immediate deduction for the whole cost.

You can't claim tools and equipment that are supplied by your employer or another person.

If you also use the tools and equipment for private purposes, you can only claim the work-related portion.

Working from home expenses

If you work from home, **you can claim** a deduction for expenses you incur that relate to your work. You must:

- use one of the methods set out by us to calculate your deduction
- keep the correct records for the method you use.

You can't claim:

- coffee, tea, milk and other general household items, even if your employer provides these at work
- items your employer provides – for example, a laptop or a phone
- any items where your employer pays for or reimburses you for the expense.

Other expenses

You can claim the work-related portion of other expenses that relate to your employment, including:

- phone and internet costs, with records showing your work-related use
- union and professional association fees.

You can't claim a deduction if the cost was met or reimbursed by your employer.

This is a general summary only. For more information, go to ato.gov.au/sales or speak to a registered tax professional.

Security industry

Download: [Security industry (PDF, 495KB)]

If you're an employee in the security industry it pays to learn what you can claim.

To claim a deduction for work-related expenses:

- you must have spent the money yourself and weren't reimbursed
- it must directly relate to earning your income
- you must have a record to prove it.

You can only claim the work-related portion of an expense. You can't claim a deduction for any part of an expense that does not directly relate to earning your income.

You can use the **myDeductions** tool in the ATO app to keep track of your expenses and receipts throughout the year.

Car expenses

You can't claim the cost of normal trips between home and work, even if you live a long way from your usual workplace or have to work outside normal business hours – for example, you're on call, you work weekends or early morning shifts.

You can claim the cost of using a car you own when you drive:

- directly between separate jobs on the same day – for example, from your first job as a security guard to your second job as a bartender

- to and from an alternate workplace for the same employer on the same day – for example, between different venues where you perform your duties as a security guard.

In limited circumstances, **you can claim** the cost of trips between home and work where you have shifting places of employment (that is, you have no fixed place of work and you continually travel from one work site to another throughout your shift).

You can't claim a deduction when using a vehicle provided by your employer, unless you covered the cost of fuel, were not reimbursed by your employer, and the cost was a result of you performing your employment duties.

If you claim car expenses, you can use the logbook method or the cents per kilometre method to calculate your deduction.

If you use the logbook method, you need to keep a valid logbook to work out the percentage of work-related use along with written evidence of your car expenses.

If you use the cents per kilometre method, you need to be able to show how you calculated your work-related kilometres and that those kilometres were work related.

If you claim your work-related car expenses using one of the above methods, you can't claim any further deductions in the same tax return for the same car. For example, petrol, servicing, and insurance costs.

Clothing and laundry expenses (including footwear)

With a few exceptions, clothing can't be deducted as a work-related expense.

You can't claim the cost to buy, hire, repair or clean conventional clothing you wear for work, even if your employer requires you to wear it and you only wear these items of clothing at work. 'Conventional clothing' is everyday clothing worn by people – for example, jeans, black pants or sneakers.

You can claim the cost to buy, hire, repair or clean clothing if it is:

- protective – items with protective features or functions you wear to protect you from specific risks of injury or illness at work - for example, a bullet-proof vest or high-vis vest

- a compulsory uniform – clothing you are explicitly required to wear by a workplace agreement or policy, which is strictly and consistently enforced, and is sufficiently distinctive to your organisation. For example, an embroidered shirt with your employer's logo that is compulsory for you to wear at work.

You can't claim a deduction if your employer pays for or reimburses you for these expenses.

Seminars, conferences and training courses

You can claim for the cost of seminars, conferences and training courses that relate to your work in the security industry – for example, a Certificate 2 in Security Operations.

You can't claim for the cost of a course if it is only related in a general way to your current employment or designed to help you get a new job.

Guard dog expenses

You generally **can't claim** guard dog expenses, unless:

- your duties require you to use a guard dog
- the dog is trained to be a guard dog from a young age
- the dog is not treated like your pet or your family's pet.

If you're required to provide your own guard dog for a work-related purpose, you can claim a deduction for ongoing expenses such as food, veterinary expenses and registration costs.

You can't claim a deduction if your employer provided the dog or reimbursed you for the costs.

Meal and snack expenses

You can't claim the cost of food, drink or snacks you consume during your normal working hours, even if you receive an allowance. These are private expenses.

If you receive an overtime meal allowance under an industrial law, award or agreement and it's included in your assessable income, **you can claim** the cost of the meal that you buy and eat when you work overtime.

Licence, permit or card expenses

You can claim renewal fees for a licence or ticket required to perform your employment duties in the security industry.

You can't claim the initial cost of getting a licence or ticket in order to gain employment.

Other expenses

You can claim the work-related portion of other expenses that relate to your employment, including:

- tools and equipment, including repairs and insurance (such as a flashlight or a utility belt)
- phone and internet costs with records showing your work-related use
- union and professional association fees.

You can't claim private expenses such as fitness, drivers licence, music subscriptions, childcare or fines.

This is a general summary only. For more information, go to ato.gov.au/security or speak to a registered tax professional.

Teacher

Download: Teacher (PDF, 427KB)

If you're a teacher it pays to learn what you can claim.

To claim a deduction for work-related expenses:

- you must have spent the money yourself and weren't reimbursed
- it must directly relate to earning your income
- you must have a record to prove it.

You can only claim the work-related portion of an expense. You can't claim a deduction for any part of an expense that does not directly relate to earning your income.

You can use the **myDeductions** tool in the ATO app to keep track of your expenses and receipts throughout the year.

Car expenses

You can't claim the cost of normal trips between home and work, even if you live a long way from your usual workplace or have to work outside normal business hours – for example, attending parent-teacher interviews.

You can claim the cost of using a car you own when you drive:

- directly between separate jobs on the same day – for example, travelling from your first job as a teacher to your second job as a tutor
- to and from an alternate workplace for the same employer on the same day – for example, driving from your regular school to another school to moderate exam results.

In limited circumstances, **you can claim** the cost of trips between home and work, where you carry bulky tools or equipment for work. You can claim a deduction for the cost of these trips if all of the following apply:

- the tools or equipment are essential to perform your employment duties and you don't carry them merely as a matter of choice
- the tools or equipment are bulky – meaning that because of the size and weight they are awkward to transport and can only be transported conveniently by the use of a motor vehicle
- there is no secure storage for the items at the workplace.

If you claim car expenses, you can use the logbook method or the cents per kilometre method to calculate your deduction.

If you use the logbook method, you need to keep a valid logbook to work out the percentage of work-related use along with written evidence of your car expenses.

If you use the cents per kilometre method, you need to be able to show how you calculated your work-related kilometres and that those kilometres were work related.

If you claim your work-related car expenses using one of the above methods, you can't claim any further deductions in the same tax return for the same car. For example, petrol, servicing, and insurance costs.

Clothing and laundry expenses (including footwear)

With a few exceptions, clothing can't be deducted as a work-related expense.

You can't claim the cost to buy, hire, repair or clean conventional clothing you wear for work, even if your employer requires you to wear it and you only wear these items of clothing at work. 'Conventional clothing' is everyday clothing worn by people – for example, sports clothing or business attire.

You can claim the cost to buy, hire, repair or clean a compulsory uniform. The uniform must be explicitly required by a workplace agreement or policy.

You can't claim a deduction if your employer pays for or reimburses you for these expenses.

Self-education and study expenses

You can claim self-education and study expenses if your course relates directly to your employment as a teacher and it:

- maintains or improves the skills and knowledge you need for your current duties
- results in or is likely to result in an increase in income from your current employment.

For example, a course in working with children with special learning needs.

You can't claim a deduction if your study is only related in a general way or is designed to help you get a new job.

Working from home expenses

If you work from home, **you can claim** a deduction for expenses you incur that relate to your work. You must:

- use one of the methods set out by us to calculate your deduction
- keep the correct records for the method you use.

You can't claim:

- coffee, tea, milk and other general household items, even if your employer provides these at work
- items your employer provides – for example, a laptop or a phone
- any items where your employer pays for or reimburses you for the expense.

Other expenses

You can claim the work-related portion of other expenses that relate to your employment, including:

- phone and internet costs, with records showing your work-related use
- excursions, school trips and camps
- first aid courses
- seminars and conferences
- teaching aids
- technical or professional publications
- union and professional association fees
- personal protective equipment you buy, such as gloves, face masks, sanitiser or anti-bacterial spray, if your job required close proximity with students.

You can't claim private expenses such as:

- gifts you purchased for students
- meeting students' personal expenses – for example, paying for lunch, excursions or schoolbooks
- flu shots and other vaccinations, even if you're required to have them for work.

You can't claim a deduction if the cost was met or reimbursed by your employer.

This is a general summary only. For more information, go to **ato.gov.au/teacher** or speak to a registered tax professional.

Tradesperson (Tradies)

Download: Tradesperson (Tradies) (PDF, 415KB)

If you're a tradie it pays to learn what you can claim.

To claim a deduction for work-related expenses:

- you must have spent the money yourself and weren't reimbursed
- it must directly relate to earning your income

- you must have a record to prove it.

You can only claim the work-related portion of an expense. You can't claim a deduction for any part of an expense that does not directly relate to earning your income.

You can use the **myDeductions** tool in the ATO app to keep track of your expenses and receipts throughout the year.

Car expenses

You can't claim the costs of trips between home and work, even if you live a long way from your usual workplace or have to work outside normal business hours – for example, weekend work.

You can claim the cost of using a car you own when you drive:

- directly between separate jobs on the same day – for example, travelling from your first job as an electrician to your second job as a TAFE teacher
- to and from an alternate workplace for the same employer on the same day.

In limited circumstances, **you can claim** the cost of trips between home and work, where:

- you have shifting places of employment (that is, you have no fixed place of work and you continually travel from one work site to another throughout your workday)
- you carry bulky tools or equipment for work and all of the following apply
  - the tools or equipment are essential to perform your employment duties and you don't carry them merely as a matter of choice
  - the tools or equipment are bulky, meaning that because of the size and weight they are awkward to transport and can only be transported conveniently by the use of a motor vehicle
  - there is no secure storage for the items at the workplace.

If you claim car expenses, you can use the logbook method or the cents per kilometre method to calculate your deduction.

If you use the logbook method, you need to keep a valid logbook to determine work out the percentage of work-related use along with written evidence of your car expenses.

If you use the cents per kilometre method, you need to be able to show how you calculated your work-related kilometres and that those kilometres were work related.

If you claim your work-related car expenses using one of the above methods, you can’t claim any further deductions in the same tax return for the same car. For example, petrol, servicing, and insurance costs.

If your vehicle has a carrying capacity of one tonne or more, such as a ute or panel van, you can’t use the cents per kilometre method or the logbook method to calculate your claim. You can claim the actual costs you incur for the work-related use of your vehicle.

Travel expenses

You can claim travel expenses if you travel away from your home overnight in the course of performing your employment duties. Travel expenses can include meals, accommodation, fares and incidental expenses you incur when travelling for work.

You can’t claim a deduction if the travel is paid for, or you are reimbursed by your employer or another person.

Clothing and laundry expenses (including footwear)

With a few exceptions, clothing can't be deducted as a work-related expense.

You can’t claim the cost to buy, hire, repair or clean conventional clothing you wear for work, even if your employer requires you to wear it and you only wear these items of clothing at work. 'Conventional clothing' is everyday clothing worn by people – for example, drill shorts, jeans or plain shirts.

You can claim the cost to buy, hire, repair or clean protective clothing. Protective clothing has protective features or functions which you wear to protect yourself from specific risks of injury or illness at work. For example, steel-capped boots, safety glasses or fire-resistant clothing.

You can’t claim a deduction if your employer pays for or reimburses you for these expenses.

Tools and equipment expenses

You can claim the cost of tools and equipment you use for work, including repairs and insurance.

If a tool or equipment costs:

- more than $300 – you claim a deduction for the cost over a number of years (decline in value)
- $300 or less (and doesn't form part of a set that costs more than $300) – you can claim an immediate deduction for the whole cost.

You can't claim tools and equipment that are supplied by your employer or another person.

If you also use the tools and equipment for private purposes, you can only claim the work-related portion.

Other expenses

You can claim the work-related portion of other expenses that relate to your employment, including:

- renewing your licence, regulatory permit, card or certificate to continue to perform your work duties
- sunscreen, sunhats and sunglasses where your duties require you to spend prolonged periods working outdoors
- phone and internet costs, with records showing your work-related use
- overtime meal expenses that you buy and eat when you work overtime, if your employer paid you an overtime meal allowance under an industrial law, award or agreement for the overtime and it's included in your assessable income.

You can't claim private expenses such as drivers licence, music subscriptions, fines or childcare.

This is a general summary only. For more information, go to **ato.gov.au/tradie** or speak to a registered tax professional.

Train driver

Download: Train driver (PDF, 413KB)

If you're a train driver it pays to learn what you can claim.

To claim a deduction for work-related expenses:

- you must have spent the money yourself and weren’t reimbursed
- it must directly relate to earning your income
- you must have a record to prove it.

You can only claim the work-related portion of an expense. You can't claim a deduction for any part of an expense that does not directly relate to earning your income.

You can use the myDeductions tool in the ATO app to keep track of your expenses and receipts throughout the year.

Car expenses

You can’t claim the cost of normal trips between home and work, even if you live a long way from your usual workplace or have to work outside normal business hours – for example, on the weekend.

You can claim the cost of using a car you own when you drive:

- directly between separate jobs on the same day – for example, from your job as a train driver to your second job as a safety instructor
- to and from an alternate workplace for the same employer on the same day – for example, travelling between train stations or depots for your employer.

In limited circumstances, **you can claim** the cost of trips between home and work, where you carry bulky tools or equipment for work and all of the following apply:

- the tools or equipment are essential to perform your employment duties and you don't carry them merely as a matter of choice
- the tools or equipment are bulky – meaning that because of the size and weight they are awkward to transport and can only be transported conveniently by the use of a motor vehicle
- there is no secure storage for the items at the workplace.

If you claim car expenses, you can use the logbook method or the cents per kilometre method to calculate your deduction.

If you use the logbook method, you need to keep a valid logbook to work out the percentage of work-related use along with written evidence of your car expenses.

If you use the cents per kilometre method, you need to be able to show how you calculated your work-related kilometres and that those kilometres were work related.

If you claim your work-related car expenses using one of the above methods, you can’t claim any further deductions in the same tax return for the same car. For example, petrol, servicing, and insurance costs.

Travel expenses

You can claim travel expenses if you travel away from your home overnight in the course of performing your employment duties – for example, driving the train to a location interstate, resting in the barracks or accommodation and then returning to your home depot the next shift. 'Overnight' could include a mandatory rest break after being on duty and before recommencing duty, that is of sufficient length for you to sleep (around seven hours or more), and would usually involve you taking up accommodation for that purpose.

You can’t claim a deduction if the travel is paid for, or you are reimbursed by your employer or another person.

Clothing and laundry expenses (including footwear)

With a few exceptions, clothing can't be deducted as a work-related expense.

You can’t claim the cost to buy, hire, repair or clean conventional clothing you wear for work, even if your employer requires you to wear it and you only wear these items of clothing at work. 'Conventional clothing' is everyday clothing worn by people – for example, standard jeans, drill shirts and plain pants.

You can claim the cost to buy, hire, repair or clean clothing if it is:

- protective – clothing with protective features and functions which you wear to protect you from specific risks of injury or illness at work. For example, steel-capped boots
- a compulsory uniform – clothing you are explicitly required to wear by a workplace agreement or policy, which is strictly and consistently enforced, and is sufficiently distinctive to your organisation.

You can’t claim a deduction if your employer pays for or reimburses you for these expenses.

Phone, data and internet expenses

You can claim phone, data and internet costs apportioned for private and work use, with records showing your work-related use.

You can't claim phone, data and internet use where you only use your phone to communicate with your manager about your shifts or use the internet to check payslips, rosters or income statements.

Other expenses

You can claim the work-related portion of other expenses that relate to your employment, including:

- overtime meal expenses that you buy and eat when you work overtime, if your employer paid you an overtime meal allowance under an industrial law, award or agreement for the overtime and it's included in your assessable income
- protective equipment such as sunglasses and ear plugs
- compulsory assessments and medical examinations you require to carry out your current employment duties.

You can't claim for the cost of:

- food and drinks, if you do not travel away from your home overnight in the course of performing your duties
- items that you use to take your food or drink to work, or use at work, even when travelling overnight for work – for example, an esky
- music subscriptions
- childcare
- gym fees
- flu shots and vaccinations, even if you're required to have them for work
- items you purchased where your employer reimbursed you for the cost or paid for the expense.

This is a general summary only. For more information, go to ato.gov.au/traindrivers or speak to a registered tax professional.

Travel agent

Download: Travel agent (PDF, 450KB)

If you're a travel agent it pays to learn what you can claim.

To claim a deduction for work-related expenses:

- you must have spent the money yourself and weren't reimbursed
- it must directly relate to earning your income
- you must have a record to prove it.

You can only claim the work-related portion of an expense. You can't claim a deduction for any part of an expense that does not directly relate to earning your income.

You can use the **myDeductions** tool in the ATO app to keep track of your expenses and receipts throughout the year.

Car expenses

You can't claim the cost of normal trips between home and work even if you live a long way from your usual workplace or have to work outside normal business hours - for example, weekend or early morning shifts.

You can claim the cost of using a car you own when you drive:

- directly between separate jobs on the same day – for example, from your first job as a travel agent to your second job as a yoga instructor
- to and from an alternate workplace for the same employer on the same day – for example, from your normal workplace to a different office to take training.

If you claim car expenses, you can use the logbook method or the cents per kilometre method to calculate your deduction.

If you use the logbook method, you need to keep a valid logbook to work out the percentage of work-related use along with written evidence of your car expenses.

If you use the cents per kilometre method, you need to be able to show how you calculated your work-related kilometres and that those kilometres were work related.

If you claim your work-related car expenses using one of the above methods, you can't claim any further deductions in the same tax return for the same car. For example, petrol, servicing, and insurance costs.

Travel expenses

You can claim travel expenses if you travel away from your home overnight in the course of performing your employment duties. For example, to attend conferences, seminars, training courses or industry promotion events. Travel expenses can include meals, accommodation, fares and incidental expenses you incur when travelling for work.

You can claim a deduction for expenses if the travel directly relates to your job and either:

- your employer provides educational or familiarisation travel to learn about new products or tour destinations
- you use educational leave to take such travel.

You can’t claim a deduction for:

- personal holidays, even if they are discounted by your employer
- travel expenses if your employer or another person has paid for these or reimbursed you
- travel insurance – as these policies cover private items such as illness, loss of baggage and theft
- passport application and renewal fees
- travel expenses related to taking a family member or friend with you on work travel.

Receiving a travel allowance from your employer does not automatically entitle you to a deduction. You still need to show that you were away overnight, you spent the money, and the travel directly relates to earning your employment income.

Clothing and laundry expenses (including footwear)

With a few exceptions, clothing can't be deducted as a work-related expense.

You can’t claim the cost to buy, hire, repair or clean conventional clothing you wear for work, even if your employer requires you to wear it and you only wear these items of clothing at work. 'Conventional clothing' is everyday clothing worn by people – for example, business attire.

You can claim the cost of buying, hiring, repairing or cleaning clothing that is:

- a compulsory uniform – clothing you are explicitly required to wear by a workplace agreement or policy, which is strictly and consistently enforced, and is sufficiently distinctive to your organisation. For example, an embroidered shirt with your employer's logo that is compulsory for you to wear at work
- non-compulsory uniforms that are registered with the Register of Approved Occupational Clothing (check with your employer if you're not sure).

You can't claim a deduction if your employer pays for or reimburses you for these expenses.

Self-education and study expenses

You can claim self-education and study expenses if your course relates directly to your employment as a travel agent and it:

- maintains or improves the skills and knowledge you need for your current duties
- results in or is likely to result in an increase in income from your current employment. For example, taking a Certificate 3 in Travel to maintain or improve the specific skills and knowledge you require as a travel agent.

You can't claim a deduction if your study is only related in a general way or is designed to help you get a new job. For example, you can't claim for your Bachelor of Hotel Management to get a job as a hotel manager.

You can't claim a deduction if your employer pays for or reimburses you for these expenses.

Other expenses

You can claim the work-related portion of other expenses that relate to your employment, including:

- phone and internet costs, with records showing your work-related use
- union and professional association fees

- technical or professional publications.

You can't claim private expenses such as music subscriptions, childcare or fines.

You can't claim a deduction if the cost was met or reimbursed by your employer.

This is a general summary only. For more information, go to **ato.gov.au/travelagents** or speak to a registered tax professional.

Truck driver

Download: [Truck driver (PDF, 466KB)]

If you're a truck driver it pays to learn what you can claim.

To claim a deduction for work-related expenses:

- you must have spent the money yourself and weren't reimbursed
- it must directly relate to earning your income
- you must have a record to prove it.

You can only claim the work-related portion of an expense. You can't claim a deduction for any part of an expense that does not directly relate to earning your income.

You can use the **myDeductions** tool in the ATO app to keep track of your expenses and receipts throughout the year.

Car expenses

You can't claim the cost of normal trips between home and work, even if you live a long way from your usual workplace or have to work outside normal business hours – for example, weekend or early morning shifts.

You can claim the cost of using a car you own when you drive:

- directly between separate jobs on the same day – for example, you drive from your first job to your second job for a separate employer
- to and from an alternate workplace for the same employer on the same day – for example, travelling between depots.

In limited circumstances, **you can claim** the cost of trips between home and work, where you carry bulky tools or equipment for work.

You can claim a deduction for the cost of these trips if all of the following apply:

- the tools or equipment are essential to perform your employment duties and you don't carry them merely as a matter of choice
- the tools or equipment are bulky – meaning that because of the size and weight they are awkward to transport and can only be transported conveniently by use of a motor vehicle
- there is no secure storage for the items at the workplace.

If you claim car expenses, you can use the logbook method or the cents per kilometre method to calculate your deduction.

If you use the logbook method, you need to keep a valid logbook to work out the percentage of work-related use along with written evidence of your car expenses.

If you use the cents per kilometre method, you need to be able to show how you calculated your work-related kilometres and that those kilometres were work related.

If you claim work-related car expenses using one of the above methods, you can’t claim any further deductions in the same tax return for the same car. For example, petrol, servicing, and insurance costs.

Travel expenses

You can claim travel expenses if you travel away from home overnight in the course of performing your employment duties. For example, driving interstate, having your mandatory rest break and then returning to your home depot. 'Overnight' includes a mandatory rest break after being on duty and before recommencing duty, that is of sufficient length for you to sleep (around seven hours or more) and may involve you taking up accommodation for that purpose.

You can’t claim a deduction if the travel is paid for, or you are reimbursed by your employer or another person.

You can’t claim accommodation expenses if you sleep in your truck or your employer provides you with accommodation.

Receiving a travel allowance from your employer does not automatically entitle you to a deduction. You still need to show that you were away overnight, you spent the money, and the travel directly relates to earning your employment income.

Clothing and laundry expenses (including footwear)

With a few exceptions, clothing can't be deducted as a work-related expense.

You can’t claim the cost to buy, hire, repair or clean conventional clothing you wear for work, even if your employer requires you to wear it and you only wear these items of clothing at work. 'Conventional clothing' is everyday clothing worn by people – for example, standard jeans, plain shirts and plain pants.

You can claim the cost to buy, hire, repair or clean clothing if it is:

- a compulsory uniform – clothing you are explicitly required to wear by a workplace agreement or policy, which is strictly and consistently enforced, and is sufficiently distinctive to your organisation
- protective – clothing with protective features or functions that you wear to protect you from specific risks of injury or illness at work. For example, steel-capped boots or hi-vis clothing.

You can’t claim a deduction if your employer pays for or reimburses you for these expenses.

Drivers licence

You can’t claim the cost of getting or renewing your drivers licence, even if it is a condition of your employment. This is a private expense.

You can’t claim the initial cost of getting a special licence or condition on your licence to get a job as a truck driver.

You can claim the additional costs to renew a special licence or condition on your licence in order to perform your employment duties. For example, a heavy vehicle permit.

Other expenses

You can claim the work-related portion of other expenses that relate to your employment, including:

- sunglasses and sunscreen where prolonged periods of sun exposure is likely while you're performing your employment duties
- sleeping bag and pillows when you use these on your mandatory long rest break and sleep away from home for work.

You can't claim private expenses such as music subscriptions, childcare, fines or the cost of food, drink or snacks you consume during your normal working hours.

You can't claim a deduction if the cost was met or reimbursed by your employer.

This is a general summary only. For more information, go to ato.gov.au/truckdrivers or speak to a registered tax professional.

Common work-related deductions and record keeping

The following content contain guides for common deductions.

Use the table below to access either:

- the summary of common work-related expenses and record keeping requirements
  - select the link in the left column of the table
  - read the content online
- the PDF summary of common work-related expenses and record keeping requirements
  - select the link in the right column of the table to open the PDF
  - you can download as a PDF.

Common deductions and record keeping information

Toolkits web content	PDF download
Car expenses	Car expenses (PDF, 1505KB)
Clothing and laundry	Clothing and laundry (PDF, 390KB)
Gifts and donations	Gifts and donations (PDF, 264KB)
Record keeping	Keeping records for work-related expenses (PDF, 999KB)

Self-education expenses	Self-education (PDF, 261KB)
Overnight travel expenses	Overnight travel (PDF, 266KB)
Working from home deduction	Working from home (PDF, 777KB)

Car expenses

Download: Car expenses (PDF, 1505KB)

To claim a deduction for a work-related expense:

- You must have spent the money yourself and weren't reimbursed.
- The expense must directly relate to earning your income.
- You must have a record to prove it.

What can I claim?

If you use your own car for work purposes, you can claim a deduction using either the cents per kilometre method or logbook method. This may be a car you own, lease or hire under a hire-purchase agreement. You generally do not own or lease the car if you use it under a salary sacrifice or novated lease arrangement.

You can claim a deduction for **car expenses** if you use your car to:

- perform your work duties
- attend work-related conferences or meetings away from your normal workplace
- travel directly between 2 separate places of employment if neither of the places is your home
- travel from your normal workplace to an alternative workplace (and return)
- travel from your home to an alternative workplace, then to your normal workplace.

Remember:

- You generally can’t claim the cost of **trips between home and work**, even if you live a long distance from your usual workplace or work outside normal business hours.
- You can't claim a deduction for a car expense that has been reimbursed.

In limited circumstances you can claim the cost of trips between home and work, where:

- you had shifting places of employment (that is, you regularly work at more than one site each day before returning home)
- you carry bulky tools or equipment for work and all of the following apply
  - the tools or equipment are essential to perform your employment duties and you don't carry them merely as a matter of choice
  - the tools or equipment are bulky – meaning that because of their size and weight they are awkward to transport and can only be transported conveniently by the use of a motor vehicle
  - there is no secure storage for such items at the workplace.
- **your home was a base of employment** (that is, you were required to start certain work activities at home and travel to a workplace to complete those work activities).

How to calculate your car expenses

There are 2 methods you can choose from to calculate your deduction for car expenses.

Cents per kilometre method

If you use the cents per kilometre method, your claim is based on a set rate per kilometre. You:

- can claim a maximum of 5,000 km for work-related use per car
- don't need receipts for your expenses (e.g. fuel receipts)
- do need a record to show how you calculate your work-related kilometres (e.g. using a diary or the **myDeductions** tool in the ATO app)
- need to be able to show that you own the car.

The cents per kilometre rate covers all car expenses including decline in value, registration and insurance, maintenance, repairs and fuel costs. You can't add these, or any other car expenses, on top of the rate when calculating your deduction.

Logbook method

The logbook method allows you to claim the work-related portion of your actual car expenses. Expenses you can claim include running costs such as fuel, oil and servicing, registration, insurance and the decline in value.

You can't claim capital costs, such as the purchase price of your car, the principal of a loan to buy it, or any improvement costs (e.g., adding tinted windows).

You need records for all other car expenses, including evidence that you own the car, and odometer readings at the start and end of the period you used the car during the year.

To work out your work-related use percentage, you need a valid logbook and the odometer readings for the start and end of the logbook period. Your logbook:

- needs to show your work-related trips for a continuous 12-week period that represents your general pattern of work-related travel
- needs to show the destination and purpose of every journey, the odometer reading at the start and end of each journey, and the total kilometres travelled
- is valid for 5 years (unless your circumstances change – for example, you change jobs)
- can be a paper logbook, or can be kept electronically by using the myDeductions tool in the ATO app.

Tip – if you're using the logbook method for 2 or more cars, you'll need to keep a separate logbook for each car. The logbooks must be kept for the same 12-week period.

You can claim fuel and oil costs, based on either actual receipts, or an estimate of the expenses using odometer records that show readings from the start and the end of the period you used the car during the income year.

If your car is a zero emissions electric car, you can choose to use the electric vehicle home charging rate set out in **PCG 2024/2** Electric vehicle home charging rate - calculating electricity costs when a vehicle is charged at an employee's or individual's home and your odometer records to estimate your home charging expenses. You can't use this rate if your car is a plug-in hybrid electric vehicle.

Remember

A car is a motor vehicle that carries a load of less than 1 tonne and fewer than 9 passengers (including the driver). This includes electric (zero emission) and hybrid vehicles if they meet this definition. Motorcycles, trucks, minibuses, some utes and similar vehicles are not cars.

You can claim the actual expenses for work-related travel in these vehicles.

If you use someone else's car, you can claim a deduction for the actual costs you incur that relate to your work use.

If using the actual expenses method you will need to keep records of all expenses and your work-related use.

This is a general summary only.

For more information, go to **ato.gov.au/carexpenses** or speak to a registered tax professional.

Clothing and laundry

Download: Clothing and laundry (PDF, 390KB)

To claim a deduction for a work-related expense:

- You must have spent the money yourself and weren't reimbursed.
- The expense must be directly related to earning your income.
- You must have a record to prove it.

Clothing expenses (including footwear)

You can't claim a deduction for **clothing you wear to work**, except in limited circumstances where that clothing is in a specific category.

You can't claim the cost of buying, hiring, repairing or cleaning conventional clothing you buy to wear for work, even if your employer says this is compulsory, or you only wear it when you are at work.

'Conventional clothing' is everyday clothing worn by people regardless of their occupation – for example, business attire worn by office workers, or jeans or drill shirts worn by tradespeople.

You can claim the cost of buying, hiring, repairing or cleaning clothing if it falls within one of these categories:

- occupation-specific
- protective
- compulsory uniforms
- non-compulsory uniforms registered with the Register of Approved Occupational Clothing

Remember

You can’t claim a deduction if your employer pays for or reimburses you for expenses you incur for work clothing.

Occupation-specific

You can claim a deduction for occupation-specific clothing that distinctively identifies you as a person associated with a particular occupation - for example, a judge's robe or chef's chequered pants. If the clothing may be worn by multiple professions, it is not considered occupation specific.

Protective

You can claim a deduction for clothing you wear to protect you from real and likely risk of illness or injury from your work activities or your work environment.

Clothing must have protective features or functions to be considered protective rather than conventional clothing. Protective clothing may include:

- safety-coloured (hi-vis) vests
- protective boots, such as steel-capped boots
- boiler suits or aprons that protect ordinary clothing
- fire-resistant clothing

- clothing with a UPF sun protection rating
- non-slip nurses' shoes.

There must be a link between your work-related activities, the risk presented by your environment, and the form and function of the clothing to reduce the risk.

You can’t claim a deduction for conventional clothes that don't have features or functions for protection against the risk of illness or injury at your work. For example, you can't claim for jeans, drill shirts, shorts, trousers, socks or everyday enclosed shoes.

Compulsory uniform

You can claim a deduction for a compulsory uniform. Your employer must make it compulsory to wear the uniform through a strictly enforced workplace agreement or policy. A compulsory uniform must be sufficiently distinctive to your particular organisation so that a casual observer can clearly identify:

- you as working for a particular employer
- the products or services provided by your employer.

Conventional clothing is not a compulsory uniform, even if your employer requires you to wear it, or you pin a name badge to it.

Shoes, socks and stockings are generally not deductible. In limited circumstances, you can claim a deduction for shoes, socks and stockings if:

- they are an essential part of a distinctive compulsory uniform
- the characteristics (colour, style and type) are an integral and distinctive part of your uniform that your employer specifies in the uniform policy.

This differentiates them from conventional clothing.

Non-compulsory uniform

You can't claim a deduction for non-compulsory work uniforms unless your employer has registered the design with the Register of Approved Occupational Clothing. Check with your employer if you're not sure whether your uniform is registered. Single items of clothing such as a shirt can’t be registered for these purposes, only full body items such as a dress or overalls.

Laundry and repairs

You can claim a deduction for the cost of cleaning and repairing occupation-specific and protective clothing, and compulsory and non-compulsory uniforms.

You can't claim a deduction if your employer launders your clothing or reimburses you for these expenses.

A reasonable basis for calculating your laundry claim is either:

- $1 per load if the load is made up of only work-related clothing
- 50c per load if you mix personal items of clothing with work clothing.

You can claim a deduction for the actual costs you incur to dry-clean and repair work clothing in these categories.

If your laundry claim is $150 or less (not including dry-cleaning expenses), you can claim the expense and don’t need receipts. You will need to be able to show how you calculated your claim.

Exceptions to the record keeping rules are there to make things simpler – they do not allow you to claim an automatic deduction up to the specified amount where the money has not been spent.

Allowances

If you receive an allowance from your employer for laundry expenses:

- you can only claim a deduction for the amount you actually spent, not the amount of your allowance
- the allowance is assessable income that you must include on your tax return.

This is a general summary only

For more information, go to **ato.gov.au/clothingandlaundry** or speak to a registered tax professional.

Gifts and donations

Download: [Gifts and donations (PDF, 264KB)]

You can claim a deduction for a **gift or donation** you make to an organisation if it meets 4 conditions:

- you make the gift or donation to a deductible gift recipient (DGR)
- it must truly be a gift or donation (voluntarily transferring money or property without receiving, or expecting to receive, any material benefit or advantage)
- it must be money or property (this can include financial assets such as shares)
- it must comply with any relevant gift conditions – for some DGRs, the income tax law adds extra conditions affecting the types of deductible gifts they can receive.

You must have a record of the gift or donation, such as a receipt.

If you receive a material benefit in return for your gift or donation to a DGR – for example, something that has a monetary value – it is considered a contribution and extra conditions apply.

What is a DGR?

A deductible gift recipient (DGR) is an organisation or fund that can receive tax deductible gifts or donations.

Not all charities are DGRs. For example, in recent times there has been an influx of crowdfunding campaigns. Many of these crowdfunding websites are not run by DGRs so donations to them are not deductible.

You can check whether your donation was made to an endorsed DGR on the Australian Business Register website.

What records do I need?

You should keep records of all tax-deductible donations you make.

Evidence you need to keep may include:

- receipts for donations or contributions
- a signed letter from the eligible organisation confirming the amount of your donation or contribution.

When you make a donation, the DGR will usually issue you with a receipt – but they don't have to. If this is the case, in some circumstances, you can still claim a tax deduction by using other records, such as bank statements.

If a DGR issues a receipt for a deductible gift or donation, the receipt must state:

- the name of the fund, authority or institution to which the donation has been made
- the DGR's ABN (if one exists – some DGRs listed by name might not have an ABN)
- that the receipt is for a gift or donation.

If you donate through a workplace giving program, your payment summary or a written record from your employer is sufficient evidence.

When you can claim a deduction

You may be able to claim a deduction for gifts or donations where:

- you give money – it must be $2 or more
- you donate property or shares, however **special rules** apply
- you receive a token item for your donation (token items are things of no purpose that are used to promote a DGR, such as lapel pins, wristbands and stickers).

There are special circumstances under the **Heritage** and **Cultural Gifts** programs where donations can also be deductible.

Bucket donations

If you made one or more donations of $2 or more to bucket collections conducted by an approved organisation for natural disaster victims, you can claim a deduction of up to $10 in an income year for the total of those contributions without a receipt.

When you can't claim a deduction

You can’t claim a deduction for gifts or donations when they provide you with a personal benefit, such as:

- lottery, raffle or art union tickets
- fundraising items, such as chocolates or keyrings with an advertised price

- club membership
- the cost of attending fundraising dinners
- payments to school building funds made in return for a benefit or advantage – for example, as an alternative to an increase in school fees or as a placement on a waiting list
- gifts to families and friends regardless of the reason
- donations made under a salary sacrifice arrangement
- donations made under a will.

You can't claim a deduction for gifts or donations made to social media, crowdfunding platforms or memberships (such as sporting club memberships) unless they are a registered DGR.

This is a general summary only

For more information, go to **ato.gov.au/giftsdonations** or speak to a registered tax professional.

Keeping records for work related expenses

Download: Keeping records for work-related expenses (PDF, 999KB)

If you claim a deduction for work-related expenses, you must have records of those expenses. For some expenses you will also need to show your work-related use and how you calculated your claim. Your deduction can be disallowed if you're not eligible or you don't keep the right records.

Records are usually a receipt from the supplier of the goods or services that shows the:

- name of supplier
- amount of expense or cost of the asset
- nature of goods or services
- date of purchase
- date of the document.

A bank or credit card statement that doesn't include all of this information is not an acceptable record on its own.

You can keep electronic records, including photos of your receipts.

The **myDeductions** tool in the ATO app is a record-keeping tool you can use to keep track of your records electronically. Download the free app now.

How long to keep your records?

You need to keep your records for 5 years from the date you lodge your tax return.

If you claim the decline in value of a depreciating asset that you use for work, keep records for 5 years from the date of your last claim for the decline in value.

Record keeping exceptions

Record keeping exceptions are available to make things simpler – they don't allow you to claim an automatic deduction.

In some circumstances you may not need receipts, but you will still need to show you spent the money and how you calculated your claim.

Commissioner’s discretion from keeping records

If you can’t get a receipt from a supplier, you may be able to claim a deduction. The Commissioner may grant you relief from keeping records, if the nature and quality of the evidence you provide shows that:

- you spent the money (and weren’t reimbursed)
- the expense is deductible and you’re eligible to claim a deduction.

Evidence can include bank or credit card statements that show the amount that was paid, when and who it was paid to, as long as you write the nature of the goods or services provided on your statement.

If you pay a supplier in cash and have no other documents to support your claim, you will not have sufficient evidence to claim a deduction.

Specific record keeping rules for work-related expenses

Car expenses

If you're eligible to claim car expenses, the type of records you need to keep depends on whether you use the cents per kilometre method or logbook method to calculate your claim.

These methods are for work-related car expenses for your own car.

You may need to keep different (or additional) records if your car expense claim is for:

• transporting bulky tools or equipment

• a borrowed car

• a vehicle other than a car (for example, a motorcycle, ute, or panel van).

Method 1: Cents per kilometre

If you use the cents per kilometre method, your claim is based on a set rate per kilometre. You:

- don't need receipts for expenses
- can claim up to a maximum of 5,000 km for work-related use, per year, per car
- need to show how you calculate your work use – for example, keeping a diary of work trips.

Method 2: Logbook

You claim the work-related use of your car expenses by keeping a valid logbook.

Your logbook must cover a continuous 12-week period that represents your travel throughout the year and show:

- your work-related journeys, by recording the date and the odometer readings when you start and end each journey, the total kilometres travelled and the purpose of each journey
- the date and odometer readings when the 12-week logbook period started and finished
- the total kilometres travelled during the logbook period, as well as the total kilometres that were work-related during logbook period.

In addition, you must also keep opening and closing odometer records for every income year that you rely on your logbook. Generally, this will be the odometer reading on the first day of the income year (1 July) and last day of the income year (30 June). If you sell the car during the year, the closing odometer reading will be the reading at the date of sale.

If the work usage of your car no longer represents the work-related travel, you need to complete a new logbook.

Your logbook is valid for 5 years, but you can start a new logbook at any time.

You can claim fuel and oil costs based on your actual receipts, or you can estimate the expenses. Base the estimate on odometer readings from the start and the end of the income year (or purchase or sale date) in which you owned or leased the car during the year and the average price of fuel over the income year.

You must also keep:

- receipts for all car expenses, including the original purchase
- details of how you calculated your claim for decline in value of your car, including the effective life and method used.

Electric vehicles

If your car is electric, instead of keeping receipts for fuel and oil, you must keep:

- receipts from commercial charging stations
- evidence that shows you incur electricity costs to charge your car at home, such as an electricity bill and how you calculated your home charging expenses
- odometer readings for the start and the end of the period that you are claiming.

Alternatively, if your car is a zero emissions electric car, you can choose to use the electric vehicle (EV) home charging rate.

For more information go to **ato.gov.au/carexpenses**.

Clothing, laundry, and dry-cleaning expenses

Clothing

If you're eligible to claim a work-related clothing deduction, you must keep receipts. You can only claim clothing that is occupation-specific, protective, a compulsory uniform or non-compulsory uniform your employer has registered on the Register of Approved Occupational Clothing.

Laundry

If your claim for laundering (washing and ironing) deductible clothing is less than $150, you don't have to keep written evidence. However, you must keep details of how you calculated your claim.

Dry-cleaning

Dry-cleaning isn’t included in the $150 exception for laundry expenses. Keep all receipts for dry-cleaning your eligible work-related clothing.

For more information go to **ato.gov.au/clothingandlaundry**.

Self-education expenses

If you’re eligible to claim a work-related self-education deduction, keep records for all your self-education expenses. This may include course fees, textbooks, stationery, computers or laptops and travel expenses.

You also need to be able to explain how the course directly relates to your employment at the time of study.

If you are claiming a deduction for a depreciating asset, for example, a laptop – you must keep records and details of how you work out the decline in value.

For more information go to **ato.gov.au/selfeducation**

Depreciating assets

Some items, like a car or computer, have a limited life expectancy (effective life) and decline in value (depreciate) over time.

How you treat and work out your claim will depend on if the item:

- cost is $300 or less
- cost is more than $300
- forms part of a set that together costs more than $300.

$300 or less

If the item cost $300 or less, and you use it only for work-related purposes, you can claim an immediate deduction for its cost in the year you buy it.

More than $300

If the item cost more than $300, you can claim a deduction for the decline in value over the effective life of the item (or items) over a number of years.

The records you must keep include:

- when and where you buy the item and its cost
- when you started using the item for a work-related purpose
- how you work out your percentage of work-related use, such as a diary that shows the purpose of and use of the item for work
- how you chose to work out the decline in value, by
  - using a copy of the Commissioner of Taxation’s determination of effective life
  - working out the item’s effective life yourself, if you don't use the Commissioner's determination

To help you work out your claim and decline in value for a depreciating asset, use our Depreciation and capital allowances tool.

For more information go to **ato.gov.au/depreciationtool**.

Working from home

If you're eligible to claim running expenses as a result of working from home as a deduction, the records you need to keep depend on the method you use to work out your claim.

Method 1: Fixed rate method

If you are using the fixed rate method, you need to keep records of the total number of hours you spent working at home for the entire income year.

You must also keep records:

- for items or expenses you can claim as a separate deduction, that is, expenses not covered by the rate per hour
- that show how you calculate your work-related use of those items or work-related portion of the expenses
- with evidence you paid for the expenses covered by the fixed rate method (for example, if you use phone and electricity when you

work from home, keep one bill for each of these expenses).

Method 2: Actual cost method

If you are claiming the actual costs you incur as a result of working from home, you need a record for every expense you claim.

You must keep records:

- for all additional running expenses (for example, stationery, electricity and gas)
- for all depreciating assets
- that show how you calculate your work-related use of those items.

For more information, go to **ato.gov.au/home**.

Overnight travel expenses

There are specific record keeping requirements for overnight travel expenses, depending on:

- whether your travel allowance is shown on your income statement or payment summary
- whether your travel was domestic or overseas
- the length of your travel and your occupation.

Travel records you should keep include:

- a travel diary or itinerary (if your travel was for 6 nights or more)
- receipts for all meals, airfares, accommodation, car parking and tolls
- an explanation of how the travel was work-related, the number of nights you slept away from home, and the location.

You may be able to rely on an exception from keeping records if:

- you receive a travel allowance that is expected to cover your accommodation, meals and incidental expenses
- your travel allowance is shown on your income statement or payment summary
- the amount you spent on those particular expenses does not exceed the reasonable amounts.

Different rules apply depending on whether you travel domestically or overseas. There is also a specific exemption for overseas travel for airline crew.

For more information, go to ato.gov.au/travelexpenses.

This is a general summary only.

For more information, visit ato.gov.au/keepingtaxrecords or speak to a registered tax professional.

Self-education expenses

Download: Self-education (PDF, 261KB)

To claim a deduction for a work-related expense:

- You must have spent the money yourself and weren't reimbursed.
- The expense must directly relate to earning your income.
- You must have a record to prove it.

What are self-education expenses?

Self-education expenses are the costs you incur when you:

- undertake courses at an education institution (whether or not the courses lead to a formal qualification)
- attend work-related conferences or seminars
- do self-paced learning and study tours (whether within Australia or overseas).

When can you claim?

You can claim a deduction for a self-education expense if it has a sufficient connection to your current work activities, and:

- maintains or improves the specific skills or knowledge you require in your current work activities, or
- results in – or is likely to result in – an increase in your income from your current work activities.

When can't you claim?

You can't claim a deduction for self-education expenses if, at the time you incur them:

- you are not employed
- it doesn't have sufficient connection to your employment activities
- it relates only in a general way to your current employment or profession
- it enables you to get new employment – such as moving from employment as a nurse to employment as a doctor.

Course expenses you can claim

If your self-education meets the eligibility criteria, you may be able to **claim a deduction for the following expenses**:

- tuition, course, conference or seminar fees – the amounts you incur to enrol in a full fee paying place
- general course expenses – such as stationery, computer consumables, internet and data use
- decline in value of depreciating assets – an immediate deduction for assets costing $300 or less, or the decline in value of assets that cost more than $300
- car and other transport expenses – the cost of trips when you travel from home to your place of education and back home, or work to your place of education and back to work
- accommodation and meal expenses (incurred when the self-education requires you to travel and be away from your home for one or more nights)
- interest on borrowings.

Remember

You can only claim a deduction for the portion of these expenses that is directly related to your eligible self-education.

Expenses you can't claim

You can't claim the following self-education expenses:

- tuition fees paid by someone else or that your employer or a third-party reimburses for you

- tuition fees for Commonwealth supported places at a university or higher education provider, which includes any fees you pay with the assistance of a HECS-HELP loan
- repayments of study and training support loans, including FEE-HELP and HECS-HELP loans
- accommodation and meals where you are living at the location you are undertaking the self-education.

Apportioning expenses

You need to **apportion some expenses** between private purposes and use for work-related self-education. For example, if you use a computer 50% of the time for study and 50% for private purposes, you can only claim half the cost of the computer as a deduction.

Calculating your expenses

Use our **self-education expense calculator** to get an estimate of your self-education deductions. It also provides information on your claim eligibility.

Recording your expenses

If you're eligible to claim a work-related self-education deduction, keep records for all your self-education expenses. This may include course fees, text books, stationery, computers or laptops, and transport or travel expenses.

You also need to be able to show how the course directly relates to your employment at the time of study.

If you are claiming a deduction for a depreciating asset, for example, a laptop – you must keep records and details of how you work out the decline in value.

You can use our **myDeductions** tool in the ATO app to record your self-education expenses.

This is a general summary only.

For more information, go to **ato.gov.au/selfeducation** or speak to a registered tax professional.

Overnight travel expenses

Download: [Overnight travel (PDF, 266KB)]

To claim a deduction for a work-related expense:

- You must have spent the money yourself and weren't reimbursed.
- The expense must directly relate to earning your income.
- You must have a record to prove it.

What are travel expenses?

Travel expenses can include:

- accommodation (the cost of staying in a hotel, motel, etc.)
- meal expenses
- incidental expenses (minor expenses – such as car parking or a bus ticket)
- transport (for example, the cost of your flights).

Remember

If your travel is for both work and private purposes, you can only claim the expenses that are for work purposes. You may need to **apportion your travel expenses**. If you travel away from home for 6 or more nights in a row, you need to keep travel records such as a travel diary. This is in addition to keeping receipts for your expenses.

Receiving a travel allowance from your employer does not automatically entitle you to a deduction.

When you can claim travel expenses

You can claim a deduction for travel expenses if you travel and stay away from your home overnight in the course of performing your work duties. For example, if you need to travel interstate for a number of days to meet with clients.

You can't claim a deduction for travel expenses if you don't stay away from your home overnight.

When you can't claim travel expenses

If your employer reimburses you for any travel expenses, you can't claim a deduction for them.

You can’t claim a deduction for:

- normal trips between home and work even if you live a long way from where you work
- travel expenses if you’re living at a location where you are working, or if you choose to sleep at or near your workplace rather than returning home
- travel expenses you incur in the course of relocating.

Keeping records

Unless a record keeping exception applies, you’ll need to keep records to support your claims for travel expenses. This may be a combination of written evidence (receipts) and a travel diary.

If you receive a travel allowance from your employer, you may be eligible for the record keeping exception where your expense claims are within the ‘reasonable amounts’ we publish. To find the Commissioner’s reasonable amount (for amount considered reasonable for the substantiation exception) visit our legal database or ‘ask Alex’ on ato.gov.au

If you claim a deduction for more than the reasonable amount you need to keep receipts for all expenses, not just for the amount over the reasonable amount. All expenditure on accommodation overseas must be fully substantiated.

Remember

Even if you are not required to keep receipts, you must be able to show how you calculate your claim and show you spent the amounts. For example, show your work diary, bank statements, the travel allowance you received and that you correctly declared your travel allowance.

Travel diary

A travel diary is a record of your travel movements and activities. It will help you work out the work-related and private elements of your trip.

If you travel away from home for 6 or more nights in a row, you need to keep a travel diary except in the following circumstances:

- you travel within Australia and meet the eligibility for the record keeping exception

- you are an airline crew member on an international flight, and you claim a deduction for less than the allowance you received.

You must record your travel movements and activities in an electronic or paper diary or journal before they end, or as soon as possible afterwards, including:

- where you were
- what you were doing
- the date, and start and end times of the activities.

This is a general summary only.

For more information, go to **ato.gov.au/travelexpenses** or speak to a registered tax professional.

Working from home deduction

For a summary of this content in poster format, see Working from home deduction (PDF, 777 KB).

To be eligible to claim a deduction for working from home expenses, you must:

- be working from home to fulfil your employment duties, not just completing minimal tasks
- incur additional running expenses as a result of working from home
- have records to show that you incurred these expenses and the hours that you worked from home during the income year.

To work out your working from home deduction, you can use the fixed rate method or the actual cost method.

Remember, you can only claim the work-related part of an expense.

Fixed rate method

The fixed rate method allows you to claim a set rate per hour you work from home and covers expenses that are often difficult to apportion. This includes:

- data and internet
- mobile and home phone usage

- electricity and gas
- computer consumables (for example, printer ink)
- stationery.

You don't need a dedicated home office to use this method.

You can't claim a separate deduction for any of the expenses the fixed rate includes.

You can claim a separate deduction for:

- the decline in value of assets used while working from home, such as computers and office furniture
- the repairs and maintenance of these assets
- cleaning (if you have a dedicated home office).

Actual cost method

The actual cost method allows you to claim a deduction for the actual expenses you incur as a result of working from home.

This may include:

- data and internet
- mobile and home phone usage
- electricity and gas
- computer consumables (for example, printer ink)
- stationery
- the decline in value of assets used while working from home, such as computers and office furniture, as well as any maintenance and repairs of these items
- cleaning (if you have a dedicated home office).

The actual cost method requires detailed calculations and records. For example, you will need to know and have records of the cost per unit of electricity and average units used per hour. If you plan to use this method, see **ato.gov.au/home**.

As an employee working from home, you generally can't claim for occupancy expenses, such as rent, insurance or mortgage interest.

Record keeping checklist

Check you have the correct records before claiming a working from home deduction. If you don't have records, don't claim the expense.

You can use the myDeductions tool in the ATO app to keep track of your expenses and receipts throughout the year.

Fixed rate method

You will need the following records:

- a record of all the hours you work from home for the entire year (for example, timesheets, rosters, or a diary)
- evidence you paid for the expenses covered by the fixed rate method (for example, if you use your phone and electricity when you work from home, keep one bill for each of these expenses)
- records for any depreciating items you claim as a separate deduction (for example, a computer or office furniture).

Actual cost method

You will need the following records:

- a record that represents the hours you work from home (such as timesheets, rosters or diary showing at least a 4-week regular pattern of work)
- evidence for every expense that you claim, including receipts, bills or invoices which show the supplier, amount of the expense, nature of the goods, date it was paid and the date of the document
- evidence of your personal and work-related use of the items or services you buy and use.

In most cases, a bank or credit card statement (on its own) is not sufficient evidence of a work-related expense.

Decline in value of assets and equipment (applies to both methods)

You will need records for depreciating assets, that show:

- when and where you buy the item and its cost
- when you started using the item for a work-related purpose

- how you work out your percentage of work-related use, such as a diary that shows the purpose of and use of the item for work
- either
  - a copy of the **Commissioner's determination of effective life** you use to work out the decline in value of the item
  - how you work out the effective life if you don't use the Commissioner's determination
- which method you chose to work out the decline in value.

Residency, foreign income and the income statement

The following content will help your client understand what income they need to declare.

Residency, foreign income and the income statement

Toolkit web content	PDF download
Residency for tax purposes	Residency for tax purposes (PDF, 269KB)
Foreign income	Foreign income (PDF, 221KB)
Access your income statement	Not available

A quick guide to the tax treatment of Australian Government payments and help, see **COVID-19 support: tax quick guide**.

Residency for tax purposes – it pays to learn what you can claim at tax time

Download: Residency for tax purposes (PDF, 269KB)

To understand your tax situation, you need to know if you are a resident for tax purposes.

Residency for tax purposes may be different to your residency status for other purposes. You may be a resident for tax purposes even if you're not an Australian citizen or a permanent resident for immigration purposes.

Residency and tax

As an individual you will fit into one of the following 3 categories.

Australian resident for tax purposes

If you satisfy any of the residency tests, you are an Australian resident for tax purposes.

This means you have to declare all of your worldwide income even if you have already paid tax on it overseas.

A foreign income tax offset is generally available to reduce the Australian tax on the same income.

Foreign residents

If you do not satisfy any of the residency tests, you are a foreign resident. As a foreign resident, you have no tax-free threshold and do not pay the Medicare levy.

You must still declare any income derived in Australia, including any capital gains on taxable Australian property in your Australian tax return.

If you have a Higher Education Loan Program or Australian Apprenticeship Support Loan from 1 January 2024 (formerly known as Trade Support Loan) debt, you are required to declare your worldwide income or lodge a non-lodgment advice.

Temporary residents

You will be a 'temporary resident' if you hold a temporary visa and neither you or your spouse is an Australian resident within the meaning of the *Social Security Act 1991* (that is, not an Australian citizen or permanent resident).

As a temporary resident, you only need to declare income derived in Australia, plus some income earned from employment or services performed overseas for short periods while you are a temporary resident.

Other foreign income and capital gains do not have to be declared. There are separate rules for working holiday makers and individuals who are dual residents.

Residency tests

There are 4 tests used to determine if you are an Australian resident for tax purposes.

You will be an Australian resident if you meet any one of these tests. You can use our **online tool** to assess your circumstances.

The resides test

Under this test, you are a resident of Australia if you reside in Australia according to the ordinary meaning of 'reside' – which means 'to dwell permanently, or for considerable time, to have a settled or usual abode, and to live in a particular place'.

Some of the factors that can be used to determine residency status include physical presence, intention and purpose, family and business or employment ties, maintenance and location of assets, social and living arrangements.

The domicile test

Under this test, you are a resident of Australia if your domicile is in Australia, unless the Commissioner is satisfied that your 'permanent place of abode' is outside Australia.

A domicile is a place that is considered to be your permanent home by law. For example, it may be a domicile by origin (where you were born) or by choice (where you have changed your home with the intent of making it permanent).

A permanent place of abode should have a degree of permanence and can be contrasted with a temporary or transitory place of abode.

The 183-day test

You will be a resident under this test if you spend over half the year in Australia, unless it is established that your 'usual place of abode' is outside Australia and you have no intention of taking up residence here.

If you have already taken up residence in Australia, this test will not generally apply regardless of the number of days you spend overseas.

In practice, this test only applies to individuals arriving in Australia.

The Commonwealth superannuation fund test

This test only applies to certain Australian Government employees who are eligible to contribute to the Public Sector Superannuation Scheme (PSS) or the Commonwealth Superannuation Scheme (CSS).

If this is the case, you (and your spouse and children under 16) are considered to be a resident of Australia regardless of any other factors.

Examples

Example: Emily – teaching in Japan

Facts:

- Emily leaves Australia to work in Japan as a teacher of English.
- She has a one-year contract, after which she plans to tour China and other parts of Asia before returning to Australia to resume work here.
- During her time in Japan, she lives with a family who treat her as one of their own.
- She rents out her property in Australia during her absence.
- Emily is single. Her parents live interstate, and her brother has moved to France.

Outcome: why is Emily considered an Australian resident?

Even though Emily is residing in Japan, under the domicile test:

- her domicile is in Australia (a resident who has always lived in Australia will generally retain a domicile here when they are absent overseas, unless they choose to permanently migrate to another country)
- her permanent place of abode remains in Australia.

This example is intended as a guide. Residency determinations depend on your individual circumstances.

Example: Bronwyn – an extended job overseas

Facts:

- Bronwyn, an Australian resident, has received a job offer to work overseas for 3 years, with the option to extend for another 3 years.
- Bronwyn, her husband and 3 children decide to make the move.
- They retain their property in Australia, as they intend to return one day.
- The house will be rented out during their absence.
- Bronwyn is uncertain whether she will extend the option to stay after 3 years, and will decide later, depending on how the family like the life there.
- While overseas, they will rent a house with an accommodation allowance provided under her contract.

Outcome: why is Bronwyn considered a foreign resident?

The resides test is not satisfied because the length of Bronwyn's physical absence from Australia and the surrounding circumstances (such as establishing a home overseas with her family and renting out her family home in Australia) are not consistent with residing in Australia, even though she has retained the family home in Australia.

The domicile test is not satisfied because:

- her permanent place of abode is outside Australia due to
  - the length of time she has committed to spending overseas
  - establishment of a home overseas, and
  - her family accompanying her
- the fact that she will not be selling the home in Australia, although relevant, is not persuasive enough to overcome the finding on the basis of the other factors
- it is arguable that she has abandoned her home in Australia for the duration of her stay, by renting it out.

This example is intended as a guide. Residency determinations depend on your individual circumstances.

Dual residents

You are considered to be a dual resident if you are a resident of Australia for domestic income tax law purposes, and a resident of another country for the purpose of that other country's tax laws. Where Australia has a double tax treaty with a foreign country, a treaty tie breaker test would usually determine which country has the right to tax Australian and foreign sourced income.

Working holidaymakers

Most working holiday makers who come to Australia for a working holiday under visa subclass 417 or 462 have fixed tax rates regardless of their residency status.

Foreign income

Download: Foreign income (PDF, 221KB)

If you're an Australian resident and you've derived income from overseas, you need to declare it in your Australian tax return.

To determine if you're an Australian resident for tax purposes, see Coming to Australia or going overseas.

Types of foreign income

Income from employment and personal services

If you have worked overseas or provided your services to an organisation located outside of Australia, you will need to declare all relevant income as if it were earned in Australia.

This may include:

- salary and wages
- director's fees
- consultancy fees
- business income

- any other remuneration.

There are some specific circumstances in which foreign salary is exempt, for more information go to **Exempt foreign employment income**.

Income from assets and investments

If you own assets or investments overseas you will need to declare all relevant returns as if they were in Australia.

This may include:

- interest from bank deposits or bonds
- dividends from shares
- royalties from intellectual property
- rental income from real estate
- pensions, annuities and lump sums from managed funds
- income streams from super funds
- some foreign government pensions.

Capital gains on overseas assets

If you own an asset overseas, you may have to pay Australian tax when you sell the asset. You need to keep appropriate records.

If you acquired an overseas asset prior to becoming an Australian resident, you are taken to have acquired the asset at the time you became a resident.

Similarly, if you cease being an Australian resident while holding an overseas asset, you are deemed to have disposed of that asset at the time you cease being a resident.

To accurately calculate the capital gain or loss, ensure you keep a record of the value of your asset at these times.

This is a complex area of tax law and certain exemptions may apply.

What you need to remember

Tax paid on income overseas

If you have already paid tax in the country that you derived the income, you may be entitled to a foreign income tax offset credit.

To be eligible you must:

- have paid the tax on the income overseas
- have records to prove that the tax has been paid.

The offset amount you are entitled to will not always be the same as the amount of tax paid overseas. If you are claiming more than $1,000 you will need to complete the foreign income tax offset limit calculation to determine your entitlement.

Converting foreign income to Australian dollars

All foreign income and tax offsets must be converted to Australian dollars in your Australian tax return.

Depending on your circumstances and the type of income, you will need to use either the specific prevailing exchange rate or the average exchange rate, see **Converting foreign income to Australian dollars**.

Apportioning foreign income across multiple tax returns

Unlike Australia, most countries do not have an income year ending 30 June.

This means foreign income amounts reported overseas and the associated tax offsets may need to be reported across multiple Australian tax returns.

You will need to determine which Australian tax years the amounts should be reported in and apportion accordingly.

QC 59240

Tax time toolkit for investors

Our resource for anyone earning money from their investments, whether you invest in property, shares or crypto assets.

Last updated 17 September 2024

On this page

For a summary of this content as a portable document format (PDF), see Tax time toolkit for investors (PDF, 3.1MB).

Top 10 tips to help rental property owners avoid common tax mistakes

To access or download a copy of this fact sheet in portable document format (PDF), see Top 10 tips to help rental property owners avoid common tax mistakes (PDF, 331KB).

Whether you use a tax agent or choose to lodge your tax return yourself, avoiding these common mistakes will save you time.

1. Getting initial repairs and capital improvements right

You can't claim an immediate deduction for:

- Initial repairs on damage existing when you bought the property, even if you don't fix the issues immediately. For example, replacing broken cupboard doors or repairing damaged floorboards. You may be able to claim the deduction over several years as capital works. You can use any unclaimed part of these costs to work out your capital gain or capital loss when you sell the property.
- Improvements you make to the property. For example, replacing the entire roof with a better material when only part is damaged or remodelling a bathroom. These are capital improvements you can claim as a capital works deduction at a rate of 2.5% each year for 40 years from the date of completion.
- Replacement of damaged depreciating assets that cost more than $300. For example, replacing the hot water system. These costs you claim as a decline in value deduction over the effective life of the asset.

For more information, see Rental properties – repairs, maintenance and capital expenditure.

2. Claiming interest on your loan

You can claim the interest you pay on the principal amount borrowed as a deduction when you have a loan for your rental property.

You can only claim the portion of the interest that relates to the rental property.

You can't claim the interest on any portion of the loan you use to buy personal items, such as paying school fees or going on a holiday. You must separate the interest for the rental property from interest relating to private use. It's important to take this into consideration when using your investment loan for private purposes.

For more information, see Rental properties – interest expenses.

3. Claiming borrowing expenses

If your borrowing expenses are over $100, the deduction is spread over 5 years or the term of the loan, whichever is shorter. If they are $100 or less, you can claim the full amount in the income year you incur the expense.

Borrowing expenses:

- include loan establishment fees, title search fees and costs of preparing, stamp duty on the mortgage and filing mortgage documents.
- don't include stamp duty charged by your state or territory government on the property title (this stamp duty is included in the property’s cost for CGT purposes).

Remember to apportion your borrowing expenses in the first year based on the number of days you own the property.

For more information and examples, see Rental properties – borrowing expenses.

4. Claiming purchase costs

You can’t claim deductions for the costs of buying your property. These include conveyancing fees and stamp duty (for properties outside the ACT). If you sell your property, these costs are added to the cost base and are used when working out if you need to pay capital gains tax.

For more information, see Rental properties – borrowing expenses.

5. Getting construction costs right

You can claim certain building costs, including extensions, alterations and structural improvements as **capital works** deductions. Generally, you can claim a capital works deduction at 2.5% of the construction cost for 40 years from the date construction was completed.

You use any unclaimed capital works expenses when working out your capital gain or loss when you sell or dispose of the property.

For more information, see Rental properties – repairs, maintenance and capital expenditure.

6. Claiming body corporate fees and charges

Payments you make to your body corporate **administration fund** for your rental property are deductible in full in the year you incur them.

You can't claim an immediate deduction when your body corporate raises funds applied to a **special purposes fund** to pay for major capital improvements or repairs of a capital nature.

Once the work is complete, you may be able to claim a capital works deduction for your share of the expense. The cost must be charged to either the special purpose fund or the general purpose sinking fund, if a special contribution has been levied.

For more information, see Rental properties – body corporate fees and charges.

7. Apportioning expenses and income for co-owned properties

If you own a rental property with someone else, you must declare rental income and claim expenses according to your legal ownership of the property.

As joint tenants your legal interest will be an equal split.

As tenants in common you may have different ownership interests.

8. Apportioning deductions for private use of your property

Any deductions you claim must directly relate to earning assessable rental income.

You must apportion your expenses to reflect the area and days it was rented, if you:

- use part of your property to earn rent
- rent it out for part of the year.

Private use of the property includes if you rent to family or friends below market rates or keep it vacant.

9. Keeping the right records

You must have evidence of your rental property income and expenses to claim a deduction.

You need to consider capital gains tax (CGT) when you sell your rental property, so keep all records for the entire period you own it, and for 5 years from the date you sell it.

10. Getting your capital gains right when selling

When you sell your rental property, you may make a capital gain or a capital loss. Generally, this is the difference between:

- what it cost you to buy and improve the property
- what you receive when you sell it.

Don't include amounts already claimed as a deduction against rental income earned from the property, including decline in value (depreciation) and capital works.

Include your capital gain or loss in your tax return in the year you sign the sale contract. Capital losses can be carried forward to reduce capital gains in later years.

For more information, see Capital gains tax on the sale of property.

This is a general summary only.

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Tax-smart tips for your investment property

To access or download a copy of this fact sheet in portable document format (PDF), see Tax-smart tips for your investment property (PDF, 213KB).

Being tax-smart when investing in property means more than making the right property choices. If you use your property to earn income at any time, you need to:

- keep records right from the start

- work out what expenses you can claim as deductions
- work out if you need to pay tax instalments throughout the year
- declare all rental-related income in your tax return
- consider capital gains tax (CGT) when you sell.

Record keeping makes tax time easier

You need to keep records for the period you own the property to make sure you don't pay more tax than you need to, in case you later sell or rent out all or part of the property.

If you sell a property you use to earn income, you need the following records to work out if you are subject to capital gains tax.

Buying

Records to keep when you buy include:

- contract of purchase
- settlement statement
- conveyancing documents
- loan documents
- costs to buy the property
- borrowing expenses.

Owning

Records to keep during ownership include:

- proof of earned rental income
- all your expenses
- periods of private use by you or your friends
- periods the property is used as your main residence
- loan documents if you refinance your property
- efforts to rent the property out
- capital improvements
- depreciating assets.

Selling

Records you need when you sell include:

- contract of sale
- conveyancing documents
- sale of property fees
- how you calculated your capital gain or loss.

Record keeping tips

Set up an easy-to-use record-keeping system as a priority. For example, use a spreadsheet or professional software.

Keep records of every transaction while you own the property. This includes contracts of purchase and sale, as well as conveyancing and loan documents.

Scan copies of your receipts to make it easier to store and access them.

Remember, keeping proof of all your income, expenses and effort to rent out your property means you can claim everything you are entitled to.

Preparing your return

Rental property owners should remember these 3 simple steps when preparing their return.

1. Include all the income when you receive it

Report rental income in the income year the tenants pay it.

If tenants pay the rent to a real estate agent or property manager who takes their fees out before forwarding on to you – report the gross amount (the amount before fees or expenses) in your tax return.

Rental income includes:

- short-term rental arrangements (for example, a holiday home)
- sharing part of your main residence (home)
- insurance payouts
- rental bond money you keep.

2. Get your expenses right

- **Eligibility** – only claim expenses for the periods you can directly connect to earning assessable income.
- **Timing** – some expenses must be claimed over several years.
- **Apportionment** – apportion your claim where
  - your property was not used as a rental for part of the year
  - only part of your property was rented out
  - you used the property or kept it vacant for yourself
  - you rented it at below market rates.

Report your income and expenses in line with your share of the investment.

3. Keep records to prove it all

You should keep records of all income and expenses relating to your rental property, as well as purchase and sale records.

Selling your property

When you sell or dispose of an investment property or your main residence that you rented out, remember:

- You may have to pay capital gains tax (CGT), even if you transfer the property into someone else's name rather than sell it.
- If you sell, transfer or gift property for less than market value, CGT is based on the market value of the property and you need to get a market valuation.

'Capital proceeds' is the amount you receive, or are deemed to receive, for example market value, when you sell the property.

If your purchase and ownership costs are greater than your capital proceeds, include your capital loss in your tax return in the income year it occurs. Reporting capital losses, means the losses are available to reduce any capital gains you make in the future.

- You need to work out the cost base for a capital gain, you can't include in this amount any deductions you claim for improvements, capital works or decline in value in any income year.

- If you live in the property before renting it out, you need to consider your entitlement to a full or partial main residence exemption, or if the '**Home first used to produce income rule**' may apply.
- If you own the property for more than 12 months and you're an Australian resident, you may be entitled to a 50% discount of the capital gains tax.

A capital gain is the difference between your cost base (cost of ownership) and your capital proceeds (what you receive when you sell the property or the market value when you transfer the property).

This is a general summary only.

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Rental properties – interest expenses

To access or download a copy of this fact sheet in portable document format (PDF), see Rental properties – interest expenses (PDF, 206KB).

You can claim interest paid on the amount you borrow, or a portion of the interest, where the interest relates to earning assessable income.

You can't claim any payments for paying off the principal of your loan.

What you can claim

You can claim interest expenses you incur on the loan that you use to:

- buy a rental property
- buy a depreciating asset for the rental property (for example, a new air conditioner)
- make repairs to the rental property (for example, roof repairs due to storm damage)

- finance renovations to the rental property
- pre-paid expenses for the rental property up to 12 months in advance.

What you can't claim

You can't claim interest:

- for periods you use the property for private purposes, even if it's for a short time
- on any part of the loan
  - used for private purposes on the initial loan or if you refinance
  - that you redraw for private purposes, even if you're ahead in your repayments
- used to buy a new home if you don't use it to produce income, even if you use your rental property as security for the loan
- on funds used to buy **vacant land**, until the time construction of your rental property is complete and available for rent.

If your loan was used to buy a rental property and something else, such as a car, you can't just repay the part relating to your personal purchase, even when you refinance. All loan repayments are apportioned across both purposes until all the loan has been repaid and you are no longer claiming interest expenses for that property.

Examples – interest expenses

Example: claiming all interest incurred

Kosta and Jenny take out an investment loan for $350,000 to buy an apartment they hold as joint tenants.

They rent out the property for the whole year from 1 July. They incur interest of $30,000 for the year.

Kosta and Jenny can each make an interest claim of $15,000 on their respective tax returns for the first year of the property.

Example: claiming part of the interest incurred

Yoko takes out a loan of $400,000, with $380,000 to be used to buy a rental property and $20,000 to buy a new car.

Yoko’s property is rented for the whole year from 1 July. Her total interest expense on the $400,000 loan is $35,000.

To work out how much interest she can claim as a tax deduction, Yoko must do the following calculation:

> **Total interest expenses × (rental property loan ÷ total borrowing) = deductible interest**
>
> $35,000 × ($380,000 ÷ $400,000) = $33,250

Yoko works out she can claim $33,250 as an allowable deduction.

Example: interest incurred on a mortgage for a new home

Zac and Lucy take out a $400,000 loan secured against their existing property to buy a new home.

Rather than sell their existing home they decide to rent it out.

They have a mortgage of $25,000 remaining on their existing home, which is added to the $400,000 loan under a facility with sub-accounts, this means the 2 loans are managed separately but are secured by the one property.

Zac and Lucy can claim an interest deduction against the $25,000 loan for their original home as it is now rented out.

They can't claim an interest deduction against the $400,000 loan used to buy their new home as it isn't being used to produce income, even though the loan is secured against their rental property.

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Rental properties – borrowing expenses

To access or download a copy of this fact sheet in portable document format (PDF), see **Rental properties – borrowing expenses (PDF, 218KB)**.

What are borrowing expenses?

You incur borrowing expenses when you take out a loan to buy a rental property.

They include:

- loan establishment fees
- lender's mortgage insurance (insurance the lender bills to you)
- stamp duty you pay on the mortgage (**not** stamp duty to transfer the property into your name – this is used to work out your cost base for capital gains tax purposes)
- title search fees your lender charges
- costs for preparing and filing mortgage documents (including solicitors' fees)
- mortgage broker fees
- fees for a valuation required for a loan approval.

Amounts that are not borrowing expenses

Borrowing expenses for a rental property **don't** include:

- the principal amount you borrow and any repayments
- interest expenses (claim these at **interest on loans**)

- annual loan package fees (claim these at **Sundry expenses**)
- insurance policy premiums that provide for your loan to be paid out if you die, become disabled or unemployed (this is a private expense and can't be claimed).

The following expenses are **not** borrowing expenses, however you can include them in the cost base for capital gains tax (CGT) purposes when you sell or dispose of your rental property:

- stamp duty
  - your state or territory government charges on the transfer (purchase) of the property title
  - you incur to acquire a leasehold interest in a property, such as an Australian Capital Territory 99-year crown lease (if you rent the property, you may be able to claim this as a lease document expense at **Sundry expenses**)
- legal expenses, including solicitor and conveyancer fees you incur to buy the property.

Claiming borrowing expenses

If your total borrowing expenses are:

- more than $100, spread the deduction over 5 income years or the term of the loan, whichever is shorter
- $100 or less, claim a full deduction in the income year you incur the expenses.

If you got the loan part way through the income year, apportion the deduction for the first year according to the number of days in that year.

If you repay the loan in less than 5 years, you can claim a deduction for the balance of the borrowing expenses in the final year of repayment.

Work out borrowing expenses

To work out your borrowing expenses, you must apportion any deductions for parts of the loan used for private purposes. For example, private purposes may include to buy a car, pay for school fees, or remodel the kitchen in your home. You can't claim private expenses.

To help work out your claim, use our Deductible borrowing expenses calculator (xlsx,154KB).

Example: apportionment of borrowing expenses

The Hitchman's (as joint tenants each with 50% interest) secure a 20-year loan of $209,000 to buy a rental property for $170,000 and a car for $39,000.

They pay for establishment fees, valuation fees and stamp duty on the mortgage. Their borrowing expenses on the loan total $1,670.

As their borrowing expenses are more than $100, they must apportion their deduction over 5 years because it's less than the period of the loan (20 years).

As they use part of the loan ($39,000) for a private purpose, they can't claim a deduction for borrowing expenses on this portion of the loan.

They secure the loan on 17 July 2023, so they work out the borrowing expense deduction for the first year as follows:

> Borrowing expenses × (number of relevant days in income year ÷ number of days in the 5-year period) × (amount of rental property loan ÷ total amount borrowed) = deduction for the year.

As joint tenants, they need to report their share (50%) in each of their tax returns.

They work out their borrowing expenses deduction as shown in the table below.
Borrowing expense calculation

Borrowing expense calculation

Year	Calculation	Available deduction for the year
1 (leap	\$1,670.00 × (350 ÷ 1,827) = \$319.90 \$319.90 × (\$170,000 ÷ \$209,000)	\$260.20

year)		
2	$1,350.10 × (365 ÷ 1,477) = $333.64 $333.64 × ($170,000 ÷ $209,000)	$271.38
3	$1,016.46 × (365 ÷ 1,112) = $333.64 $333.64 × ($170,000 ÷ $209,000)	$271.38
4	$682.82 × (365 ÷ 747) = $333.64 $333.64 × ($170,000 ÷ $209,000)	$271.38
5 (leap year)	$349.18 × (366 ÷ 382) = $334.55 $334.55 × ($170,000 ÷ $209,000)	$272.12
6	$14.63 × (16 ÷ 16) = $14.63 $14.63 × ($170,000 ÷ $209,000)	$11.90

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Rental properties – repairs, maintenance and capital expenditure

To access or download a copy of this fact sheet in portable document format (PDF), see Rental properties repairs, maintenance and capital expenditure (PDF, 231KB).

Quick reference guide

A guide to where to include deductions for rental properties in your tax return.

Repair

If you replace a part of something that is worn out, damaged or broken because of renting out the property, it's likely to be a **repair**. For example, replacing part of a fence damaged in a storm or getting in a plumber to fix a leaking tap. Claim repairs at **Repairs and maintenance** in the tax return in the income year the expense is incurred.

Maintenance

If you do work to prevent deterioration or fix existing deterioration to keep the property in a tenantable condition, it's likely to be **maintenance**. For example, getting faded interior walls repainted or having a deck re-oiled. Claim maintenance at **Repairs and maintenance** in the tax return in the income year the maintenance expense is incurred.

Initial repair

If you repair damage that existed when the property was bought (whether it was known about at the time of purchase or not), it's likely to be an **initial repair**. For example, fixing floorboards or repairing deteriorated window frames. Initial repairs are capital **expenses** and aren’t deductible. In some circumstances, the expense may be claimed as capital works deduction (generally 2.5% **of the expense** over 40 years). Claim **these types of initial** repairs at **Capital works**.

Capital works

If you renovate, replace an entire structure that's partly damaged, or add a new structure to improve the property, it's likely to be **capital works**. For example, replacing all the fencing, not just the damaged portion, or adding a carport. This should be claimed at **Capital works**. Unclaimed costs can be used to work out your capital gain or capital loss when you sell the property.

Depreciating assets

If you install a new appliance **or** window covering, it's likely to be a **depreciating asset** and it’s cost **must be claimed over the** asset’s **effective life**. For example, buying a new dishwasher or installing new carpet. This should be claimed at **Capital allowances**.

Detailed guide

Find out more about repairs, maintenance, improvements and capital expenditure.

Repairs and maintenance

The cost of repairs and maintenance may be deductible in full in the year you incur them if:

- the expense directly relates to wear and tear or other damage that occurred while renting out the property
- the property either
  - continues to be rented on an ongoing basis
  - remains available for rent, but there's a short time when the property is unoccupied (for example, where unseasonable weather causes cancellations of bookings or all reasonable efforts to attract tenants were unsuccessful).

Repairs

To claim a deduction for the cost of repairs they must either:

- occur after your property was rented or made available for rent, and have been caused by the rental activity of the person making the claim (not from a previous owner), or
- caused by special circumstances beyond your control, such as a natural disaster or deliberate damage by tenants.

Generally, repairs can be claimed in full in the same year you incurred the expense.

Examples of repairs include:

- replacing broken windows
- repairing electrical appliances or machinery
- replacing part of the guttering damaged in a storm
- replacing part of a fence damaged by a falling tree branch.

Maintenance

Maintenance generally involves keeping your property in a tenantable condition. It includes work to prevent deterioration or to fix existing deterioration.

Examples of maintenance include:

- repainting faded or damaged interior walls
- oiling, brushing or cleaning something that is otherwise in good working condition (for example, oiling a deck or cleaning a swimming pool)
- maintaining plumbing.

Capital expenses to claim over several years

Find out about capital expenses you can claim over several years.

Depreciating assets (capital allowances)

Depreciating assets are items that can be described as plant, which don't form part of the premises. These items are usually:

- separately identifiable
- not likely to be permanent and expected to be replaced within a relatively short period
- not part of the structure.

When claiming a deduction for decline in value for each asset, you can choose to use either:

- the **effective life** the Commissioner has determined for these types of assets
- your own reasonable estimate of its effective life.

Where you estimate an asset's effective life, you must keep records to show how you worked it out.

Examples of assets that deductions for decline in value can be applied to include:

- floating timber flooring
- carpets
- curtains
- appliances like a washing machine or fridge
- furniture.

Second-hand depreciating assets

Second-hand depreciating assets are depreciating assets that were already installed ready for use or used:

- by another entity (except as trading stock)
- in your private residence
- for a non-taxable purpose, unless that use was occasional (for example, staying at the property for one evening while carrying out maintenance activities would be occasional use).

You can’t claim a deduction for the decline in value of a second-hand depreciating asset used in a residential rental property, unless:

- you purchased the asset before 7:30 pm on 9 May 2017
- you installed it into your rental property before 1 July 2017.

Capital works

Capital works describe certain kinds of construction expense used to produce income.

The rate of deduction for these expenses is generally 2.5% per year for 40 years following construction.

When you sell the property, any unclaimed costs can be used to work out your capital gain or capital loss.

Capital works include:

- building construction costs
- the cost of altering a building
- major renovations to a room
- adding a fence
- building extensions such as garages or patios
- adding structural improvements like a driveway or retaining wall.

In some circumstances, initial repairs will also be treated as capital works.

Improvements

An improvement can be anything that makes the property better, more valuable or more desirable, or changes the character of the item that works are being carried out on.

Improvements can be either:

- capital works – a structural improvement (for example, remodelling a bathroom or adding a pergola)
- capital allowances – the item is a depreciating asset (for example, carpet or a dishwasher).

Improvements include work that:

- provides something new – for example, adding a gazebo or carport
- improves the income-producing ability or expected life of the property
- goes beyond restoring the efficient functioning of the property.

It's important to correctly categorise each expense incurred to ensure it's treated correctly for tax purposes.

Initial repairs

Initial repairs are costs you incur to remedy defects, damage or deterioration that existed at the time you acquired the property to make it suitable to rent out. They are not immediately deductible. It doesn't matter if you were unaware of the need to make repairs to the property at the time you purchased it.

Similarly, initial repairs to a depreciating asset when you purchased the property that aren't from your tenant's use of the property, aren't deductible.

Where an initial repair relates to capital items associated with the building structure, like kitchen cabinets, you can claim the cost as a capital works deduction. Generally, this deduction will be at 2.5% per year for 40 years.

Before renting the property out, if you replace an old depreciating asset with a new one, such as a new dishwasher, you can claim a decline in value deduction for this asset over its effective life.

The cost of remedying initial repairs that existed at the time of purchase form part of the CGT cost base when you sell the property.

You must reduce the CGT cost base by amounts claimed (or that you were entitled to claim) as capital works for the initial repairs.

Example: initial repairs not deductible (existing damage)

Lisa buys a property with the intention of renting it out. At the time of purchase Lisa knew that she would need to repair the roof (replace all roof tiles) and part of the ceiling as they were in a poor condition.

When carrying out the works, Lisa discovered there was extra structural damage that required her immediate attention. The repair to the ceiling costs her $2,000, the replacement of roof tiles cost her $9,000 and the structural work cost her a total of $15,000.

The 'initial' repair of the ceiling of $2,000 isn't deductible as a repair but as with the replacement of the entire roof and the structural work, they can be claimed as capital works expenses. When the property is sold, Lisa can include the $26,000 for the work to rectify the existing damage in her CGT cost base. Lisa will also need to reduce that amount by the capital works deduction she has already claimed.

Example: repair cost (special circumstances beyond your control)

Dimitri buys a property with the intention to rent. Unexpectedly, 10 weeks after the property was rented, a heavy storm damaged sections of the roof and minor parts of the ceiling.

As the property was rented before the storm, the repairs were done to restore the property to its original condition. Dimitri can claim the cost of repairs to the roof and ceiling as an immediate deduction in the income year he incurred the expense.

Example: replacement asset isn't an initial repair

Rebecca buys a unit as an investment with the intention to rent it out. On inspection, she notices the dishwasher is broken. After settlement occurs, Rebecca replaces the broken dishwasher with a new one, which cost $999, before the new tenants move in.

Rebecca can't claim an immediate deduction for the replacement of the dishwasher because she is replacing a depreciating asset, not repairing it.

Rebecca can claim a decline in value deduction for the new dishwasher over its effective life.

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Rental properties – damaged or destroyed property

To access or download a copy of this fact sheet in portable document format (PDF), see Rental properties – damaged or destroyed property (PDF, 236KB).

Types of income

Rental income can be payments you receive in cash or in the form of goods and services. You need to work out the monetary value of any payments you receive in the form of goods and services.

Insurance payouts

Insurance payouts for loss of rental income and repairs need to be included in your income.

Disaster assistance payments

Many one-off **assistance payments** you receive from the government, charities or community groups are tax-free. You need to check the types of payments and how they affect your tax.

Replacing depreciating assets

If the insurance payout you receive for your depreciating asset is more than its written down value, you need to include the balance as income. If the payout is less, you can claim a deduction for the difference.

Expenses

If you use an assistance payment or money from a relief fund to buy items for your rental property, the **normal conditions** for deductibility apply. This means you can claim a deduction if you satisfy the **deductibility rules**.

Capital works

If you replace an entire structure that was fully or partially damaged or destroyed, it's likely to be classed as **capital works**. For example, replacing **all** the fence, not just the damaged portion. This may result in a capital gain or loss, see **Involuntary disposal of a CGT asset**. New capital works are generally deductible at 2.5% over 40 years.

Repairs

If you fix something that's damaged or broken, it's a **repair**. For example, fixing a leaking tap, or **part** of the fence damaged in the storm. Amounts for **repairs and maintenance** are claimed fully in the year the expense is paid.

Depreciating asset

If you install a brand new appliance or floor or window coverings, these are **depreciating assets**. For example, buying a new dishwasher or installing new carpet. You claim a deduction over the effective life of the replacement asset (decline in value).

If you claimed a **capital allowance** for the original asset, claim a deduction for the remaining balance less any compensation received for the total loss of the asset.

For more information, see Rental properties – repairs, maintenance and capital expenditure.

Rental property can't be lived in

If your property is unable to be lived in and no longer earning rental income, you can claim a deduction for costs incurred while doing repairs or renovations. For example, council rates or interest charged on your mortgage. **You can't claim a deduction for your own labour**.

To be entitled to claim expenses while making repairs or renovations, the work needs to be completed in a reasonable timeframe and the property must have been rented or made available for rent immediately before it was damaged or destroyed.

If the property is demolished and you're holding vacant land because of the damage, you can claim a deduction for holding costs (for example, land taxes and council rates) if the exceptional circumstances exemption applies.

There is a limit of 3 years from the date of the exceptional circumstances to continue to claim deductions using this exemption.

Capital gains tax (CGT) implications for damaged or destroyed assets

If you receive an insurance payout, it needs to be considered when calculating your capital gain or loss. A capital gain arises if the insurance payout is more than the asset's cost base. If the insurance payout is less than the reduced cost base you have a capital loss.

The cost base of a CGT asset is generally the cost of acquiring, holding and disposing of the asset. The reduced cost base is similar, but doesn't include the costs of holding the asset.

You choose to rebuild or replace your rental property

You may be entitled to roll over any capital gain you make and delay paying the gain until later. To defer the gain, you must incur expenditure within one year after the end of the income year the property was destroyed. For more information, see Involuntary disposal of a CGT asset.

You choose not to rebuild your rental property

You need to calculate your capital gain or loss.

Any insurance payout you receive must be counted as capital proceeds when calculating your gain or loss.

If you don’t receive an insurance payout there are no capital gains tax consequences until the property is sold.

Main residence exemption

If the damaged or destroyed property was previously your main residence, you can treat it as your main residence for up to 6 years after you move out. Your main residence is exempt from CGT.

Generally, you only have one main residence at a time and can't treat any other property as your main residence for the same period.

Important things to remember

Important things to remember for damaged or destroyed rental property.

Timing of a CGT event

If your CGT asset is lost or destroyed, a CGT event happens on the date you receive compensation for the loss or destruction.

If you don’t receive any compensation, the CGT event happens when the loss is discovered or the destruction occurred.

Get record keeping right

Keep records of every transaction including insurance payout documents, receipts for any new purchases or repairs. If you borrow, keep all loan documents and statements.

Before and after photos of destroyed assets may be helpful but they aren't sufficient records on their own.

Example: deduction for repairs while property was unoccupied

Ben's rental property was tenanted when it was severely damaged by a cyclone. Due to the damage, the tenants had to move out. Ben carried out repairs in a reasonable time and then advertised the property for rent.

Even though the property wasn't available for rent while being repaired, he is able to claim for the repairs because it was rented immediately before the damage occurred.

Example: deduction for replacement of depreciable items

Josh's rental property was covered in smoke and ash from bushfires. He had the home thoroughly cleaned and had to replace all carpets and curtains. Josh can claim a deduction for the:

- cleaning
- remaining value of the pre-existing carpet and curtains
- decline in value of the new carpet and curtains.

If Josh decided to repair the damaged carpet and curtains instead of replacing them, he would claim the immediate deduction as a repair.

Example: no capital works deduction

Zahli owns a rental property that was damaged in a severe hailstorm. Because of this, her insurance company replaced the entire roof.

Zahli can't claim a capital works deduction for the new roof that was replaced by the insurer.

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Rental properties – body corporate fees and charges

To access or download a copy of this fact sheet in portable document format (PDF), see Rental properties – body corporate fees and charges (PDF, 216KB).

Strata title body corporates are constituted under the strata title legislation of the various states and territories.

The body corporate maintains, manages and controls the common property on behalf of owners. It decides the amounts to be paid by the owners to make sure the body corporate can operate (body corporate fees).

What you can claim

You may be able to claim a deduction for body corporate fees and charges you pay. Not all body corporate fees are deductible in full in the income year you incur them.

Deductions depend on if you incur these fees to cover the cost of day-to-day administration and maintenance or for a special purpose.

If the funds are used for a capital expense the expense must be claimed over several years.

Administrative funds

These are payments you make to your body corporate administration fund.

These funds are used by the body corporate to cover day-to-day expenses to maintain and manage common property of the body corporate. For example, insurance premiums, maintenance of gardens and management of the body corporate itself.

You can claim an immediate deduction in the year you incur these fees.

General purpose sinking fund

The payments you make to a general-purpose sinking or reserve fund generally covers non-routine but anticipated expenses in the year the levy is raised, such as roof repairs or the painting of common property.

You can claim the sinking fund contribution in your tax return. However, you can’t also claim a separate deduction for the items the funds were used for, like gardening, deductible repairs or building insurance costs.

What you can't claim

Certain body corporate fees may not be deductible in the income year you incur them, such as payments to a:

- special purpose fund, which is established to cover a specified, generally significant expense that is not covered by ongoing contributions to a general-purpose sinking fund
- special purpose fund to pay for a one-off unexpected major capital expense
- special contribution to pay for major capital expenses out of the general-purpose sinking fund.

These payments cover the cost of capital improvements or repairs of a capital nature and are not immediately deductible.

You may be able to claim a capital works deduction for your share of the expense once the work is completed and the cost has been charged to the fund.

Example: immediate deduction body corporate fees

Charlie owns a strata title interest, which is a unit in an apartment block. Charlie rents out the unit to Karl.

The strata entitlement includes a right to use or have access to strata title body common property. This consists of:

- the garden area
- the lifts, stairwells and passageways
- depreciating assets.

Charlie pays a body corporate fee of $2,500 annually for the general up-keep of the building's common areas.

Charlie is entitled to claim $2,500 for body corporate fees in his tax return.

Example: non-deductible capital works costs

Sophia rents her unit to Steve and has been paying a body corporate fee of $3,000 annually for the last 2 years.

Her body corporate contacted each unit owner and advised of a new charge to pay an additional $1,000 per year to a special purpose fund for future works to upgrade the building lifts.

Sophia can claim an immediate deduction for the $3,000 body corporate fee but can't claim a deduction for the additional $1,000. This levy is for future capital expenses and can be claimed once the work to upgrade the lifts has been completed and charged to the body corporate.

If Sophia pays $1,000 each year over the period of 5 years to upgrade the lifts, she can claim a percentage of the $5,000 each year based on the effective life of the depreciating asset from the date the works were completed.

Example: non-deductible capital works costs

Joe rents his unit to Meredith and pays a body corporate fee of $2,500 annually for the last 2 years.

Unexpectedly, the council notified the body corporate that the common veranda needed to be completely replaced because it had not been maintained to compliance standards.

As a result, the body corporate issued an enforcement notice to each unit owner to pay the amount of $10,000 into a special purpose fund to cover this emergency cost.

Joe can claim an immediate deduction for the $2,500 body corporate fee.

He can't claim a deduction for the $10,000. This expense is for future capital works and can be claimed at 2.5% for 40 years once the work is completed.

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Renting out a room or part of your main residence

To access or download a copy of this fact sheet in portable document format (PDF), see Renting out a room or part of your main residence (PDF, 216KB).

How to work out the expenses you can claim

If you rent out all or part of your home that you live in as your main residence (home), including through the sharing economy, for tax purposes you need to:

- keep records of all rental income earned and declare it in your tax return
- keep records of expenses you can claim as deductions
- calculate your capital gain or loss when you sell the property.

Income you need to declare

- all income **before** fees and commissions
- insurance payouts – for example, compensation for damage caused by renting
- bonds or security deposits you become entitled to retain
- letting and booking fees you charge, including cancellation fees.

Expenses you may be able to claim include

- council rates

- interest on a loan for the property
- electricity and gas
- property insurance
- cleaning and maintenance costs
- fees or commission charged by the platform
- other expenses that directly relate to the earning of your rental income.

How much of the expense you can claim depends on:

- the number of days the room or whole property is rented during the year
- the portion of the property you have rented out – for example, a room or the whole property.

Working out the deductions you can claim

- How big is the property?
- How big is the rented room?
- How big are the shared or common areas?
- How many days was the room rented out?

How to work it out

Rented room (claim 100% for days rented):

> (Rented rooms size ÷ Total size of house or unit) × (Number of days rented ÷ Total days in the year) × 100 = Percent of expenses claimable

Common areas (claim 50% for days rented):

> (Total common areas ÷ Total size of house or unit) × (Number of days rented ÷ Total days in the year) × 50% × 100 = Percent of expenses claimable

Example: how to work out deductions you can claim

(80m^2 unit, 10m^2 room rented for 150 days)

Floor plan showing spare room for rent of 10 metres squared, own bedroom and bathroom of 20 metres squared and total shared common areas (including second bathroom, balcony, kitchen and lounge of 50 metres squared.

Rented room

$$(10 \div 80) \times (150 \div 365) \times 100 = 5.13\%$$

Common areas

$$(50 \div 80) \times (150 \div 365) \times 50\% \times 100 = 12.84\%$$

Total percentage of expenses you can claim = 17.97%

Capital gains tax when you sell

When you earn income for your home, you need to consider capital gains tax (CGT) when you sell.

When working out your eligibility for a full or partial CGT main residence exemption, you need to factor in both:

- floor-area of the residence you rent
- the number of days the property was used to generate income.

You will need to keep records, such as:

- statements from platforms that show your income
- receipts of any expenses you want to claim as a deduction.

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Capital gains tax on the sale of property

To access or download a copy of this fact sheet in portable document format (PDF), see [Capital gains tax on the sale of properties (PDF, 345KB)].

Capital gains tax (CGT) is the tax you pay on profits from disposing of assets, such as a rental property, vacant land or a holiday home. When you dispose of a property, such as by selling it, you may make a capital gain or loss.

You report capital gains and capital losses in your tax return and pay tax on your capital gains. Although it is referred to as 'capital gains tax', it is part of your income tax. It's not a separate tax.

If you bought property before 20 September 1985

You're exempt from capital gains tax (CGT) if you bought property before 20 September 1985. CGT came into effect from 20 September 1985.

However, an addition or improvement, such as renovating a house, is a **major capital improvement** and treated as a separate CGT asset if its original cost is both:

- **more than** 5% of the amount you receive when you dispose of the asset
- **more than** the improvement threshold for the income year you dispose of the asset.

Calculate the capital gain or loss by comparing the cost base of the improvements to the proceeds of sale that are reasonably attributable to the improvements.

If you bought the property on or after 20 September 1985

When you dispose of your property – for example, you sell it, you may make a capital gain or capital loss.

- If you sell the property for more than it cost – you make a capital gain.
- If you sell the property for less than it cost – you make a capital loss.

Working out your cost base

To calculate your capital gain, you need to work out the cost base. The cost base is usually the cost of the property when you bought it, plus any costs associated with acquiring, holding and selling it. The cost base is made up of 5 elements.

Element 1 – Money paid or property given for CGT asset

This includes the total money paid (or required to be paid) for the rental property and the market value of property given (or required to be given) to acquire the asset. For example, the purchase price to acquire the asset.

Element 2 – Incidental costs of acquiring, selling or disposing of the asset

For example, stamp duty, legal fees, valuation fees.

These costs are **not included** if you:

- claimed a tax deduction for them in any year, or
- can claim a tax deduction for them because the period for amending the relevant income tax assessment has not expired.

Element 3 – Costs of owning the CGT asset

For example, insurance costs, rates and land taxes.

These costs are **not included** if you:

- can claim a tax deduction for them in any income year, or
- can claim a tax deduction for them because the period for amending the relevant income tax assessment has not expired
- acquired the asset before 21 August 1991.

Element 4 – Capital costs to increase or preserve the value of your asset or to install or move it

For example, costs for initial repairs that are not otherwise deductible.

Element 5 – Capital costs of preserving or defending your title or rights to your CGT asset

For example, legal fees to defend your ownership of the rental property.

These costs are **not included** if you:

- acquired the asset after 13 May 1997, and
- claimed a tax deduction for them in any income year, or
- can claim a tax deduction for them because the period for amending the relevant income tax assessment has not expired.

Capital works deductions

You need to subtract any capital works deductions if you acquired the rental property after 13 May 1997 and you either:

- claimed a deduction for them in any income year
- haven't claimed a deduction, but can still claim, because the period for amending the relevant income tax assessment has not expired.

Depreciating assets

A depreciating asset is considered a separate asset from the property for CGT purposes. They include things like flooring, air conditioners and white goods.

When calculating your capital gain or loss, the value of a property's depreciating assets at the time of purchase and at sale are removed from the cost base and capital proceeds.

Working out your reduced cost base

If your calculations show that you have made a capital loss, some of the costs you included when working out your cost base need to be removed. Your cost base becomes a 'reduced cost base'.

How to calculate a reduced cost base:

- Include all elements of the cost base except the third element, which changes to be the balancing adjustment amount – for example, the sale of depreciating assets in the rental property would be part of the balancing adjustment.
- Don't apply indexation to any elements of the reduced cost base.

Working out your capital gain

There are 3 methods for working out your capital gain. If eligible for more than one of the calculation methods, you can choose the method that gives you the best result – that is, the smallest capital gain.

These are:

1. Discount method – reduce your capital gain by 50% for Australian resident individuals where the asset was **held for 12 months or more** before the CGT event.
2. Indexation method – increase the cost base by applying an indexation factor based on the consumer price index (CPI). This method is only available for assets purchased **before** 11:45 am (legal time in the Australian Capital Territory) on 21 September 1999 and held for 12 months or more **before** the relevant CGT event.
3. The 'other' method – subtract the cost base from the capital proceeds (sale price) if the asset was owned for **less than 12 months**. In this case, the indexation and discount methods do not apply.

To help work out your calculation, use the Capital gains tax record keeping tool.

Timing of a CGT event

The date of the CGT event for disposing of your property is the date you enter a **contract for the sale** of disposal, **not** the settlement date.

If there's no contract, the CGT event takes place when the change of ownership occurs.

The timing of a CGT event tells you the income year to report your capital gain or loss and may affect how you calculate your tax liability.

Inherited property

If you inherit property, there are special rules for calculating the cost base of your inherited assets.

Apportioning gain or loss

If you are a co-owner of a property, any capital gain or loss must be apportioned to your share of the ownership interest in the property.

Main residence

If your rental property was your main residence

Generally, your main residence is exempt from CGT. A property stops being your main residence once you stop living in it. However, you can choose to continue treating it as your main residence for CGT purposes even though you no longer live in it:

- for up to 6 years if it's used to produce income (the 6-year rule)
- indefinitely, if it's not used to produce income.

You can’t treat any other property as your main residence for the same period (except for a limited time if you're moving to a new house – up to 6 months).

You make the choice to treat a property as your main residence, when preparing your tax return. Do this in the income year you enter a contract to sell the property and report the main residence exemption in the CGT section of your tax return.

If you use your former home to produce income for more than 6 years in one absence, it's subject to CGT for the period after the 6-year limit and you need to report a capital gain, or loss as well as the main residence exemption.

If you sold property as vacant land, including when you demolish your main residence, or intended to build on that land before selling – you're **not** entitled to a main residence exemption. Report the capital gain or loss when you sell the property.

Using your main residence to produce income

If you rent out part of your home or run a business from home, you don't get the full main residence exemption from CGT. You're **not** entitled to the full main residence exemption when:

- you acquire a property on or after 20 September 1985 and used it as your main residence, and
- you're allowed a deduction for interest on money borrowed to acquire the property (interest deductibility test).

Value of home when first used to produce income rule

To work out your capital gain, you need to know the market value of your property at the time you first used it to produce income if **all** the following apply:

- you acquired the property on or after 20 September 1985
- you first used the property to produce income after 20 August 1996

- when a CGT event happens to the property, you would get a partial exemption as you used the property to produce assessable income during the period you owned it (and the 6-year rule doesn't apply).
- you would have been entitled to a full exemption if the CGT event happened to the property immediately before you first used it to produce income.

Use our **Capital gains tax property exemption tool** to calculate the percentage of your exemption.

To determine the property's market value at the time of change of use, you should get a professional **market valuation**.

If you used your property to earn income and you're eligible for a CGT exemption or rollover, including the main residence exemption, make the election in your tax return at the CGT section.

For more information, see Capital gains tax and the main residence exemption.

Example: partial main residence during part of the ownership period

Vrinda bought a house on 1 July 2008 for $350,000 and moved in immediately. On 1 July 2015 she bought a new house and moved into it on 1 December 2015 (5 months later) as her main residence and began to rent out her old house. She had a valuation done at the time for $500,000 for her old house.

She sold the old house (rental property) for $950,000. Its contract for sale was signed on 1 July 2023.

When Vrinda started renting out the old house on 1 December 2015, its market value was $500,000 (value at the time of first use for producing income).

Vrinda also had incidental costs for $15,000 for selling the property and made a capital gain of $435,000. Since she owned her old house for at least 12 months, she uses the discount method to calculate her net capital gain of $217,500.

$950,000 - $500,000 + $15,000 = $435,000 ÷ 50% = $217,500 net capital gain

She adds $217,500 in her tax return at **Net capital gain**.

Example: renting out part of a home

Thomas purchased a house 1 July 1999 and sold it on 30 June 2023. The house was his main residence for the entire time.

Throughout the period Thomas owned the home, a long-term tenant rented one bedroom (20% of the homes floorplan). Both Thomas and the tenant used the living room, bathroom, laundry and kitchen (30% of the homes floorplan). The rest of the home was only used by Thomas.

Thomas is entitled to a 35% (20% + half of 30%) rental deduction for interest on money borrowed to acquire his home.

Thomas made a capital gain of $120,000 when he sold the home. Of this total gain, he calculates the portion of the gain that isn't eligible for the main residence exemption. Thomas includes the taxable portion of the capital gain in his tax return, calculated as:

> Capital gain × percentage of floor area = Taxable portion
>
> **$120,000 × 35% = $42,000**

Thomas can use either the indexation or the discount method to calculate his net capital gain.

Example: sale of a rental property

Brett purchased a residential rental property on 1 July 1998, for $350,000 of which $12,000 was attributed to depreciating assets. He also paid $20,000 for pest and building inspections, stamp duty and solicitor's fees.

For the next few years, Brett incurred the following expenses on the property and claimed them in the years they occurred:

Interest on money borrowed – $10,000

Rates and land tax – $8,000

Deductible (non-capital) repairs – $15,000

Total – $33,000

Brett can't include the expenses of $33,000 in the cost base, as he already claimed rental deductions for them.

When Brett decided to sell the property, a real estate agent advised him to spend $30,000 on renovations so the property would be valued at $900,000. The renovations were completed on 1 October 2023, costing $30,000, while the property was still rented.

On 1 February 2024 he sold the property for $900,000 ($4,000 was attributed to depreciating assets), 124 days after the completion of the renovations. Brett also incurred $12,000 in real estate agents fees and solicitor’s fees on disposal.

Brett claims a capital works deduction of **$254** ($30,000 × 2.5% × 124 ÷ 366) for the renovations.

Brett works out his cost base as follows:

- Purchase price of property ($350,000 – $12,000 (depreciating asset)) *plus*
- Pest and building inspections, stamp duty and solicitor's fees on purchase of the property ($20,000)
- Capital expenditure (renovations) ($30,000 – $254 (capital works deduction))
- Real estate agent's fees and solicitor's fees on sale of the property ($12,000), *equals*
- **Cost base unindexed**

That is: **$338,000 + $20,000 +$29,746 + $12,000 = $399,746**

Brett deducts his cost base from his capital proceeds (sale price) as below:

- Proceeds from selling the house ($900,000 – $4,000 (depreciating assets)), $896,000
- *Less* Cost base unindexed, $399,746

- **Capital gain $496,254** ($896,000 – $399,746)

He decides the discount method gives him the best result, so he uses it to calculate his net capital gain:

$496,254 × 50% = $248,127

Record keeping

You must keep records relating to your ownership and all the costs of acquiring, holding and disposing of property such as, contract of purchase and sale, stamp duty and major renovations.

Records are generally required to be held for at least 5 years after the sale of the property (or year you declare a capital gain). If you make a capital loss, once you've offset the loss against a capital gain, keep your records for a further 2 years.

For more information on record keeping, see [Tax-smart tips for your investment property].

Foreign residents and capital gains tax

There are **special CGT rules if you're a foreign resident** for tax purposes when you sell residential property in Australia.

As this is a complex topic, it may not meet your individual circumstances. If you're uncertain, get professional advice relevant to your circumstances.

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Capital gains tax and the main residence exemption

To access or download a copy of this factsheet in portable document format (PDF), see Capital gains tax and the main residence exemption (PDF, 256KB).

Eligibility for the main residence exemption

Your main residence (your home) is generally exempt from capital gains tax (CGT) if you meet the following conditions.

You are an Australian resident and the dwelling:

- has been the home of you, your partner and other dependants for the whole period you have owned it
- hasn't been used to produce income – meaning you haven't run a business from it or rented it out
- hasn't been used in a profit-making activity – 'property flipping' (where the property was bought to renovate and sell at a profit)
- is on land of 2 hectares or less.

If you meet the eligibility conditions, you can claim a full main residence exemption and don't pay tax on any capital gain when a CGT event happens (for example, you sell it) and you ignore any capital loss.

If you don't meet all these conditions, you may still be entitled to a partial main residence exemption. If this happens, you need to report capital gains or losses and the main residence exemption in your tax return.

What is a main residence?

Generally, a dwelling is considered to be your main residence if:

- you and your family live in it
- your personal belongings are in it
- it is the address your mail is delivered to
- it's your address on the electoral roll
- services such as gas and power are connected.

To be your main residence, your property must have a dwelling on it and you must have lived in it.

You can only have one main residence for the same period, except where you acquire a new home before you dispose of your old one. You can treat both as your main residence for up to 6 months.

What is a dwelling?

A dwelling is anything used wholly or mainly for residential accommodation, such as:

- a house or cottage
- an apartment or flat
- a strata title unit
- a unit in a retirement village
- a caravan, houseboat or mobile home.

When to report your capital gain, loss or main residence exemption

When you sell your property, the date of the CGT event is the date you sign the contract of sale – not the date of settlement.

For example, a contract signed on 29 June 2023, but settled on 1 August 2023 needs to be reported in the 2022–23 income year.

In your tax return in the same income year as your contract of sale, you report:

- the capital gain or capital loss
- if you're claiming the main residence exemption.

Main residence exemption eligibility – common scenarios

Use this list of common scenarios to find out about eligibility to a main residence exemption and what you need to report in your tax return when you have sold your property.

Table: Common scenarios for eligibility to the main residence exemption and what to report in your tax return when you sell your property

Scenario… During property ownership period	Eligibility for main residence exemption (MRE)	What to include in your tax return
You lived in your home the entire time you owned it, but your home is on more than 2 hectares of land.	You're eligible to claim a partial MRE for the area your house is on up to 2 hectares of land. The rest of the property is subject to CGT. For more information, see **Home on more than 2 hectares.**	Report MRE. Report CGT gain or loss amount.
You lived in the property before renting it out for 6 years or less.	You may elect to claim a full MRE, but you can't claim the exemption for another property for the same period. If you make the choice to continue to treat your former home as your main residence, and you rented it out for 6 years or less until its sale, include the MRE in your tax return. For more information, see **Treating former home as main residence.**	Report MRE.
You first lived in the property and then rented it out for more than 6 years.	You're eligible for a partial MRE. You can choose to treat the property as your main residence for the period you lived in it and the first 6 years you rented it out, but you can't claim the exemption for another property for the same	Report MRE. Report CGT gain or loss amount.

	period. CGT must be applied for the remaining time you rented out the property until its sale. For more information, see **Treating former home as main residence**.	
You rented the property out before you moved into it.	You're eligible for a partial MRE. CGT must be applied to the period you rented it before living in the property. This includes when tenants remain in the property after settlement. For more information, see **Using your home for rental or business**.	Report MRE. Report CGT gain or loss amount.
You used part of your home to earn rental income.	You're eligible to claim a partial MRE for the part of your home not used to produce assessable income. This includes renting part of your property on a sharing economy platform (for example Airbnb or Stayz). For more information, see **Using your home for rental or business**.	Report MRE. Report CGT gain or loss amount.
You used part of your home to run a business.	You're eligible to claim a partial MRE for the part of your home not used to produce assessable income. You are running a business from home if it is your principal place of business and	Report MRE. Report CGT gain or loss amount.

	you have a space set aside just for this purpose. Merely working from home occasionally does not qualify. For more information, see **Using your home for rental or business**.	

Table: Common scenarios when you sell your property and are not eligible for the main residence exemption and what to report in your tax return

Scenario… During property ownership period	Eligibility for main residence exemption (MRE)	What to include in your tax return
You own your home and a holiday house.	If you own 2 homes at the same time – for example, your home and a holiday house – you can only apply the MRE to one property at a time. A holiday house can only be treated as your main residence if you move into the property and live in it as your main residence. If you are intending to claim a full MRE for your home when you sell it, you need to report a capital gain or loss when you sell your holiday house. For more information, see **Holiday homes**.	Report MRE. Report CGT gain or loss amount.

You rented the property and never lived in it.	You're not eligible for the MRE. For more information, see **CGT when selling your rental property**.	Not eligible for MRE. Report CGT gain or loss amount.
You bought vacant land with the intent to build a new home, but didn't build and sold it as vacant land.	You're not eligible for the MRE if you sold vacant land, even if your intention was to build a home on it. For more information, see: • **Eligibility for main residence exemption** • **Vacant land and subdividing**.	Not eligible for MRE. Report CGT gain or loss amount.
You demolished your home and sold the property as vacant land.	You're not eligible for a MRE when you sell vacant land, even if you lived in the house as your main residence before demolishing it. For more information, see **Vacant land and subdividing**.	Not eligible for MRE. Report CGT gain or loss amount.
You subdivided a property and sold the new subdivision as vacant land.	You're not eligible for the MRE if you subdivide a block and sell as vacant land. For more information, see **Subdividing and combining land**.	Not eligible for MRE. Report CGT gain or loss amount.

You subdivided the property your home is on and built a house on the new subdivision then sold it.	You're not eligible for a MRE when you sell the new subdivided property. For more information, see Subdividing and combining land.	Not eligible for MRE. Report CGT gain or loss amount.
You're a foreign resident and sold your property after 30 June 2020.	You're not eligible for a MRE unless you satisfy the life events test. This is even if you were a resident for some of the time you owned the property. For more information, see Main residence exemption for foreign residents.	If you **don't satisfy** the life events test: • you're not eligible for MRE • report CGT gain or loss amount • claim any CGT foreign resident withholding credit. If you **satisfy** the life events test: • report MRE • claim any CGT foreign resident withholding credit.

Table: common scenarios when you sell your home and are eligible for a full main residence exemption.

Scenario… During property ownership period	**Eligibility for main residence exemption (MRE)**
You lived in your home the entire time you owned it, and did not earn any income from	You're eligible to a full MRE. For more information, see Eligibility for main residence

renting it or running a business from home.	exemption.
You moved into your new home before selling your old home.	You're eligible to a full MRE. You can treat both properties as your main residence for up to 6 months when you acquire a new home before you sell your old one. For more information, see **Moving to a new main residence**.
You occasionally work from home, but your home is not your place of business.	You're eligible to a full MRE. Occasional work from home is treated differently to running a business from your home. If you're not entitled to deduct interest and other occupancy expenses, working from home doesn't affect your eligibility for the MRE. For more information, see **Using your home for rental or business**.
You are an Australian resident, and you inherited the property from an Australian resident.	You're eligible to a full MRE if the property was the deceased person's main residence prior to their death and you dispose of the property within 2 years. This includes if you rent it out during the 2 years after their death. For more information on the tax implications of deceased estate residences, see **Inherited property and CGT**.
You built or renovated your home on land you own.	You're eligible to a full MRE for up to 4 years before you move in. • You must move into your home as soon as

	practicable after it's finished. • You must continue to use it as your main residence for at least 3 months. • You can't claim the exemption for another property for the same period. For more information, see **Building or renovating your home.**
You demolished your home and built a new one.	You're eligible to a full MRE. If the home was originally your main residence, you knocked it down and rebuilt within 4 years and moved back in, you can apply the MRE from the date your original home was purchased. You can't claim a MRE for another property for the same period. For more information, see **Building or renovating your home.**
You subdivided your property and remained in your original residence.	You're eligible to a full MRE. You will be required to report a capital gain or loss on the subdivided land, but not your original main residence. For more information, see **Subdividing and combining land.**
Your home is accidentally destroyed (for example, by a natural disaster) and you sell the vacant land.	You're eligible to a full MRE as the land is treated as if the home wasn't destroyed. If you acquire a new home before you dispose of the land, you can treat both as your main residence for up to 6 months.

	For more information, see **Destruction of your home.**
You create a granny flat arrangement involving your main residence	You're eligible to a full MRE. The creation, variation or termination of a granny flat arrangement does not affect the main residence exemption. This is because the granny flat arrangement is a right to occupy the property, not a right to the property itself. For more information, see **Granny flat arrangements and CGT**.

This is a general summary only.

- Download our Rental properties guide at **ato.gov.au/rentalpropertyguide**
- Read our Capital gains tax guide at **ato.gov.au/cgtguide**

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Marriage or relationship breakdown and real estate transfers

To access or download a copy of this fact sheet in portable document format (PDF), see Marriage or relationship breakdown and real estate transfers (PDF, 237KB).

Capital gains tax (CGT) generally applies to changes in ownership of an asset, such as real estate. However, if you transfer real estate to your spouse due to the breakdown of your marriage or relationship, you may be eligible for a CGT marriage or relationship breakdown rollover.

Marriage or relationship breakdown rollover

A **marriage or relationship breakdown rollover** may apply when the transfer of property (by you, a company or the trustee of a trust) results from a court order, a binding financial or formal agreement or an award.

This rollover means that you disregard any capital gain or loss made when you transfer the property to your spouse.

For the **transferor** (the person, company or trustee of a trust transferring an asset):

- Your interest in the property is transferred to your spouse.
- You disregard any capital gain or loss.
- You report the rollover in your tax return.

For the **transferee** (the spouse receiving the asset):

- The property and cost base are transferred to you.
- You make a capital gain or loss when you dispose (such as selling) the property.
- If you already had a legal interest in the property, you must calculate your capital gain or loss separately to the interest transferred from your spouse.
- If the transferred property was acquired by your spouse (or a company or trustee) before 20 September 1985, CGT doesn't apply. However, if they made a major capital improvement to the dwelling on or after 20 September 1985 the improvements are separate assets and you may be subject to CGT.

If a rollover doesn't apply

The rollover doesn't apply to property that's divided under a private or informal arrangement. This includes anything outside of a court order or binding financial or formal agreement.

For the **transferor** (the person, company or trustee of a trust transferring an asset):

- Your interest in the property is transferred to your spouse. You must consider any capital gain or loss made when working out your capital gain (or capital losses carried forward to future years) on your tax return for that year.
- Where the dealings are not arm's length, you are taken to have received the market value of the property for CGT purposes.

For the **transferee** (the spouse receiving the asset):

- The property is transferred to you and you're taken to have acquired it at the time of transfer. You make a capital gain or loss when you sell the property.
- Where the dealings are not arm's length, you are taken to have acquired the property at market value for CGT purposes.
- If you already had a legal interest in the property, calculate your capital gain or loss separately from the interest transferred from your spouse.

Note: An arm's length dealing is where each party acts independently and without influence or control over the other. It depends on the nature of your relationship and the bargaining between you.

To determine the property's market value at the time of transfer, you should get a professional **market valuation**.

Record keeping

Keep records relating to your ownership and all costs of acquiring, holding and disposing of property including:

- contract of purchase and sale
- stamp duty
- major renovations.

Ensure you have records from your spouse if you don't already have a copy, including records that show:

- how and when they acquired the property (or the interest in it)
- the cost base of the property when they transferred it to you
- the extent (if any) the property was used to produce income during their ownership period (for example, the periods when it was rented out or available for rent) and the portion used for that purpose
- the number of days (if any) it was their main residence during their ownership period.

You must hold records for at least 5 years after the sale of the property, or the year you declare a capital gain.

If you make a capital loss, once you've offset the loss against a capital gain, keep records for another 2 years.

Example: pre-CGT assets and main residence exemption

After marrying, Sergio and Nina bought a home on 1 February 1985 for $175,000. They decided to convert their original home into a residential rental property and buy another home. They bought a larger home on 1 January 1996 for $325,000, that became their main residence.

This means they each owned 50% of the interest in the following assets.

Table: CGT assets purchase price and date

Asset	Purchase price	Purchase date
Rental property	$175,000	1 February 1985
Family home	$325,000	1 January 1996

Sergio and Nina's marriage broke down and, on 1 April 2012, a court order was made:

- Nina transferred her interest in the rental property to Sergio
- Sergio transferred his interest in the family home to Nina.

After the court order, Nina continued living in the family home and Sergio moved into the rental property.

The CGT implications are:

Rental property – as the couple acquired the property before the introduction of CGT on 20 September 1985, Sergio is taken to have acquired Nina's interest in the property before that date. As the property is a pre-CGT asset, there are no capital gain or loss obligations for either party, unless major capital improvements were made to the property after 19 September 1985.

Family home – Sergio and Nina lived here from the time of purchase until the court order. It remained Nina's main residence after Sergio transferred his interest to her.

As the property was transferred to Nina under a court order, Sergio is entitled to the marriage or relationship breakdown rollover and he doesn't have to record a capital gain or loss. Sergio will need to report a marriage or relationship rollover in his tax return.

Nina is taken to have acquired Sergio's interest in the family home. Nina's cost base includes Sergio's cost base at the time of transfer, as well as the cost base of her own original interest. This means, the full purchase price of the property ($325,000) forms part of the cost base for Nina.

Nina considers how she and Sergio used the property during their respective ownership periods to determine if a main residence exemption applies. The property was their main residence since purchase and they didn't use it to produce income at any time, so Nina is entitled to the main residence exemption.

The property isn't subject to any CGT on sale.

Example: transferor is entitled to rollover

Sam and Alex jointly bought a holiday home on 1 March 2010 for $400,000. The home was never used to produce assessable income, or their main residence.

Sam and Alex's relationship broke down and on 1 March 2020, Sam's ownership interest in the property was transferred to Alex under the terms of a binding agreement.

Alex moved into the property on 1 March 2020. He lived there until he sold it on 29 February 2023 for $800,000.

During the ownership period, the property was used as below.

Table: Property ownership dates and interest percentage

Property classification	Dates	Ownership interest
Holiday home	1/03/2010 to	50% Sam +

	29/02/2020	50% Alex
Alex's main residence	1/03/2020 to 28/02/2023	100% Alex

Sam is entitled to the relationship breakdown rollover and doesn't have to report a capital gain or loss, however he will need to report the roll over in his tax return.

Alex must consider how he and Sam used the property during their respective ownership periods to determine if a partial main residence exemption applies.

Alex calculates the capital gain on his original interest in the property separately to the interest Sam transferred to him.

As this is a complex topic, it may not meet your individual circumstances. If you're uncertain, seek professional advice relevant to your circumstances.

This is a general summary only.

- Download our Rental properties guide at **ato.gov.au/rentalpropertyguide**
- Read our Capital gains tax guide at **ato.gov.au/cgtguide**

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Capital gains tax on inherited property

To access or download a copy of this factsheet in portable document format (PDF), see Capital gains tax on inherited property (PDF, 245KB).

The property you inherit is a capital asset you acquire on the day a person dies. Generally, capital gains tax (CGT) doesn't apply at the time you inherit the dwelling. However, CGT will apply when you later sell or dispose of the dwelling, unless an exemption applies.

This depends on whether:

- the deceased person acquired the property before or after 20 September 1985

- it was the deceased person's main residence immediately before they died, and wasn't being used to produce income at the time
- the deceased person was an excluded foreign resident at the time of death
- you were an Australian resident when you inherited the property
- it was your main residence, or
  - the main residence of anyone with the right to occupy it under the will
  - the main residence of the spouse of the deceased person immediately before their death
  - wasn't used to produce income
- you dispose of an inherited property within 2 years of the deceased person's death and either
  - the deceased acquired the property before 20 September 1985
    - this exemption applies whether or not you used the dwelling as your main residence or to produce income during the 2-year period
  - the deceased acquired the property on or after 20 September 1985
    - the dwelling passed to you after 20 August 1996, and it was the deceased person's main residence and not being used to produce income just before the date they died.

Note: The 2-year limit is extended if disposal of the property is delayed by exceptional circumstances outside your control. Safe harbour in these circumstances provides for the 2-year limit to be extended for another 18 months.

For more information, see Extensions to the 2-year ownership period.

CGT main residence exemption rules when you sell a dwelling that was passed to you after 20 August 1996

1. Did the deceased person acquire the dwelling before 20 September 1985?

Yes – continue to question 2

No – continue to question 5

2. Did settlement of your contract to sell the dwelling:

- happen within 2 years of the person dying, or
- are you eligible for an extension?

Yes – dwelling is fully exempt

No – continue to question 3

3. From the deceased person's death until settlement, was the dwelling the main residence of either:

- you
- an individual who had a right to occupy the dwelling under the will
- the spouse of the deceased person

Yes – continue to question 4

No – CGT applies (you may qualify for a part exemption)

4. Was any part of the dwelling used to produce income, from the deceased person's death until settlement?

Yes – CGT applies (you may qualify for a part exemption)

No – dwelling is fully exempt

5. Was the dwelling the deceased person's main residence just before they died?

Yes – continue to question 6

No – CGT applies (you may qualify for a part exemption)

6. Just before they died, was the dwelling being used to produce income?

Yes – CGT applies (you may qualify for a part exemption)

No – continue to question 2

When the deceased person died before 20 September 1985

If the deceased person died before 20 September 1985, the property is exempt from CGT when you sell it (it is a pre-CGT asset). However, if you made a major capital improvement to the dwelling on or after 20 September 1985 the improvements are a separate asset and may be subject to CGT.

How to determine the value of an inherited property

The acquisition cost of the property is the market value of the property at the date of death, if any of the following apply:

- the property was acquired by the deceased before 20 September 1985
- the property was passed to you after 20 August 1996 (but not as a joint tenant), and
  - it was the deceased person's main residence just before they died
  - it wasn't used to produce income
- the dwelling was passed to you as the trustee of a special disability trust.

In all other circumstances, your acquisition cost is the deceased's cost base on the day they died. This means:

- the deceased's original purchase price, and
- any other costs incurred then and afterwards (by the deceased) – for example, legal fees on that purchase and any capital improvements.

You may need to contact the trustee or the deceased's tax advisor to get these details.

Joint tenants and tenants in common

If 2 or more people acquire a property together, it can be either:

- tenants in common
- joint tenants.

Tenants in common

If a tenant in common dies, their interest in the property becomes the asset of their deceased estate. This means it can be:

- transferred to a beneficiary of the estate (only)
- sold (or otherwise dealt with) by the legal personal representative of the estate.

Joint tenants

For CGT purposes, if you are a joint tenant you:

- are treated as if you are a tenant in common
- own equal shares in the asset.

However, if you're a joint tenant and another joint tenant dies, on that date their interest in the asset is:

- taken to pass in equal shares to you and any other surviving joint tenants
- as if their interest is an asset of their deceased estate and you are beneficiaries.

This means, if the dwelling was the deceased's main residence, you may be entitled to the main residence exemption for the interest you acquired from them.

Example: surviving joint tenant

In 2005, Ming and Lee buy a residential property for $300,000 as joint tenants. Each one has a 50% interest in it. They live in it as their main residence.

On 1 May 2022, Lee dies. Ming acquires Lee's interest for an amount equal to Lee's cost base on that day (1 May 2022).

Ming continues to use the property as his main residence after Lee's death. He is entitled to the main residence exemption for the interest he acquired from Lee, as well as for his original interest.

Inherited dwelling from, or as, a foreign resident

The law for foreign residents changed on 12 December 2019. This may affect your entitlement to claim the main residence exemption on an Australian residential property you inherit from a foreign resident.

The changes may also apply to you if:

- you inherit an Australian residential property
- you have been a foreign resident for more than 6 years when you **sell or dispose of the property**.

Inheriting a dwelling from someone who inherited it themselves

If you **inherit a deceased persons property**, who also acquired the interest in the property on or after 20 September 1985 as a beneficiary (or trustee) of a deceased estate, you may be entitled to a partial main residence exemption. This is calculated on the number of days the property was yours and the previous beneficiary's main residence.

Example: fully exempt – deceased acquired the dwelling on or after 20 September 1985 and beneficiary sold it within 2 years of death

Rodrigo was the sole occupant of a flat he bought in April 1990. He has only ever lived in it and not used it to produce income.

Rodrigo died in January 2021. He leaves the flat to his son, Petro. Petro initially rents out the flat and then sells it 15 months after his father died.

Petro is entitled to a full exemption from CGT. This is because Rodrigo lived in it when he died and Petro disposed of it within 2 years of his father's death.

Example: partial exemption – main residence of deceased but then rented out for more than 2 years after death by beneficiary

Lucy buys a home on 1 April 2000 for $250,000. It's her main residence from the time she acquired it until her death on 31 March 2012 (a total of 4,383 days). The property passes on to her beneficiary, Amy.

Amy lets the home as a rental property throughout her ownership period. After 8 years she decides to sell. Amy sells the rental property for $975,000 on 30 June 2020 (3,013 days after Lucy's death).

The acquisition cost of the property for Amy is its market value at Lucy's date of death, which was $425,000. This is because it was:

- passed to Amy after 20 August 1996
- Lucy's main residence immediately before her death
- not producing income at Lucy's date of death.

Amy needs to declare the capital gain as follows:

- calculate CGT
  - sale price $975,000
  - acquisition cost (total cost base) $425,000
- deduct cost base from sale price
  - total capital gain $550,000.

Amy's taxable portion of the capital gain is calculated as:

> Capital gain amount × (Non-main residence days ÷ total days)

The non-main residence days is the number of days Lucy and Amy used the dwelling to produce income, which is 3,013 (0 for Lucy and 3,013 for Amy). Total days is the number of days Lucy and Amy owned it, which is 7,396.

Amy's capital gain is:

> $550,000 × 3,013 ÷ 7,396 = $224,060

Amy can use the CGT discount method to reduce her capital gain by 50%. This reduces her capital gain to $112,030.

Example: partial exemption – inherited rental property – main residence of beneficiary

Vicki bought a house for $200,000 on 12 February 1998 and uses it as a rental property. She dies on 17 November 2001 (owning the home for a total of 1,375 days). The house passes on to her beneficiary, Lesley, who uses it as his main residence.

As the property was purchased by Vicki after 20 September 1985 and used solely for income producing purposes, Lesley's acquisition cost is Vicki's cost base on the day she died of $208,000. The cost base includes $200,000 plus legal fees and solicitor fees on purchase.

Lesley sells the property for $650,000 on 27 November 2022. He owned it for a total of 7,681 days. As the house was not Vicki's main residence just before she died, Lesley can't claim an exemption from CGT for the period Vicki used the house to produce income.

However, Lesley is entitled to a partial exemption from CGT for the period he used the house as his main residence. This is throughout his ownership period of 7,681 days only.

Example: partial exemption – main residence deceased – rental property and main residence beneficiary

Mary acquired a dwelling on 1 June 2002 for $650,000. It is her main residence until she dies on 31 August 2007 (a total of 1,918 days). Her son, Steve, inherits the dwelling and rents it out.

After renting the dwelling until 31 August 2010 (a total of 1,096 days), Steve begins living in it as his main residence. On 31 August 2022 he sells it for $900,000 (owning it for a total of 5,479 days).

Mary acquired the main residence after 19 September 1985 and didn't use it to produce income. On her death, the house was passed to Steve as a beneficiary after 20 August 1996. This means, Steve acquired the dwelling at its market value of $720,000 at the time he first used it to produce income.

The house was Mary's main residence just before she died and Steve used the property as his main residence as well as a rental property. Steve can't claim an exemption from CGT for the period he used the house to produce income. However, he can claim a partial exemption from CGT for the period Mary and Steve used the house as their main residence in their ownership period.

This is a general summary only.

- For more information, see **ato.gov.au/deceasedestatesCGT**
- Download our Rental properties guide at **ato.gov.au/rentalpropertyguide**
- Read our Capital gains tax guide at **ato.gov.au/cgtguide**

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Capital gains tax on the sales of shares or units

To access or download a copy of this fact sheet in portable document format (PDF), see Capital gains tax on sale of shares or units (PDF, 274KB).

When you sell or dispose of shares or units you may make a capital gain or capital loss. This will depend on when you bought or acquired the shares or units.

If you bought the shares or units:

- **before 20 September 1985** – you are exempt from capital gains tax (CGT), because CGT came into effect from 20 September 1985
- **on or after 20 September 1985** – you may make a capital gain or capital loss when you dispose of the shares or units.

Calculating CGT on the sale of your shares or units

A capital gain or loss is the difference between your:

- cost base

- capital proceeds.

Cost base

When buying or selling shares or units you need to work out your cost base. The elements of the cost base relating to shares or units are generally:

- what you paid for your shares or units
- certain incidental costs of buying and selling the shares or units
  - brokerage or agent fees
  - legal fees
  - investment adviser's fees (but not investment seminar costs)
- the costs of owning the shares or units, such as interest on monies borrowed to acquire the asset (generally this won't apply to shares or units because you will usually have claimed or be entitled to claim these costs as a tax deduction)
- capital costs of preserving or defending your title or rights to your shares or units.

Capital proceeds

The amount you receive or the market value of what you should have received when you dispose of your shares or units.

Share parcels

A parcel of shares is a distinct number of shares that you own. You can buy different parcels of shares in the same company at different times.

Each parcel of shares that you own added together make up your 'holding' or equity in the stock of that company. For example, you may buy 2 parcels of 500 AZY shares at different times. You have a total of 1,000 AZY shares in your portfolio, made up of 2 parcels.

Parcel selection methods

Shares can be described as 'fungible' because one share is identical to and interchangeable with any other share.

As one share is functionally identical to all others of the same share class (for example, ordinary shares, preference shares) in that company, it is difficult to identify which shares were disposed of. The shares that are disposed of need to be identified to work out the cost base when calculating CGT.

There are 3 common ordering methods for parcel allocation when calculating CGT on shares:

- FIFO (first-in, first out), where the shares bought first are sold first, regardless of cost
- LIFO (last-in, first-out), where the shares bought last are sold first, regardless of cost
- HIFO (highest-in, first-out), sometimes also referred to as HCFO (highest-cost, first-out) – the most expensive shares bought are sold first, regardless of timing.

A different method of parcel selection may be applied for each parcel of shares sold. Most people use FIFO because it is the easiest to keep track of, however you can choose any of these 3 methods.

Capital losses

It is important to report all capital losses in your tax return, so they carry forward and can be applied against future capital gains.

You can only claim a loss for shares or units you have disposed of. You can't claim a 'paper loss' on investments you continue to hold because they may have decreased in value.

If you make a capital loss from the sale of your shares or units, the loss:

- can only reduce capital gains
- can be carried forward indefinitely to reduce future capital gains
- can’t reduce your other income such as salary and wages
- can’t be converted to revenue losses in future years, even if you haven’t been able to reduce it against a capital gain.

You can also make a capital loss on your shareholding when an administrator or liquidator makes a written declaration that a company’s shares are worthless.

Working out your net capital gain

There are 3 methods for working out your net capital gain. If eligible for more than one of the calculation methods, you can choose the method that gives you the best result. This is the method that gives you the smallest capital gain.

The 3 methods are:

- Discount method – reduce your capital gain by 50% for Australian resident individuals where the asset was held for 12 months or more before the CGT event.
- Indexation method – increase the cost base by applying an indexation factor based on the consumer price index (CPI). This method is only available for assets bought at or before 11:45 am (legal time in the Australian Capital Territory) on 21 September 1999 and held for 12 months or more before the relevant CGT event.
- The ‘other' method – subtract the cost base from the capital proceeds if the asset was owned for less than 12 months. In this case, the indexation and discount methods don't apply.

To help you work out your calculation, use the **Capital gains tax record keeping tool**.

Timing of a CGT event

The timing of a CGT event is important because it determines the income year you report your capital gain or capital loss in.

- If you sell or dispose of the shares or units, the CGT event happens when you enter the contract of sale.
- If there's no contract, the CGT event happens when you stop being the owner of the shares or units. For example, when you sell your shares or units.
- If you receive a distribution of a capital gain from a managed fund, you make the capital gain in the income year shown on your statement from the managed fund.

Disposing of shares or units

You can dispose of your shares or units:

- by selling them
- by giving them away

- by transferring them to a spouse due to a breakdown in your marriage or relationship
- through share buy-backs
- through mergers, takeovers and demergers
- because the company goes into liquidation.

Disposal of shares or units includes the sale, exchange or gifting of all or part of a share or unit. Before selling your shares or units, ensure you identify the correct date of disposal.

- If you dispose of shares or units you received as a gift, you must use the market value on the day that you received them. Use the market value as the first element of your cost base when working out your capital gain or loss.
- If you give shares or units as a gift, treat them as if you disposed of them at their market value on the date you gave this gift. This means a CGT event has occurred. You must include any capital gain or capital loss in your tax return for the income year you gave them away.

Scrip for Scrip rollover relief enables a shareholder to disregard a capital gain made from a share that is disposed of as part of a corporate take-over or merger if the shareholder receives a replacement share in exchange. However, scrip for scrip rollover is only available when the original and replacement interests being exchanged are of the same type. If you are eligible for the rollover, make sure you include the scrip for scrip rollover in the CGT section of your tax return when you lodge.

Disposing of inherited shares

When you sell shares or units you inherit, the normal rules for calculating CGT apply.

Depending on the circumstances, the cost base and acquisition date may be based on either:

- when the deceased acquired it
- when they died.

If the deceased acquired the asset:

- before 20 September 1985
  - you are taken to have owned it since the deceased died
  - your cost base is the market value of the asset on the day the deceased died, plus any other elements of their cost base
- on or after 20 September 1985
  - you are taken to have owned it since the deceased acquired the asset
  - your cost base is the deceased's cost base for the asset on the day they died.

Record keeping

You need to keep records of all your transactions associated with acquiring, holding and disposing of your shares or units.

Records may include:

- receipts of purchase, sale or transfer – for example, documents that show price, date and volume
- interest on money you borrowed relating to the asset
- accountant and legal costs
- brokerage fees on purchase and sale.

Records are generally required to be held for at least 5 years after the disposal of the shares or units (or year in which you declare a capital gain). If you make a capital loss, once you've offset the carried forward loss against a capital gain, you should keep your records for a further 2 years.

Foreign and temporary residents

Foreign and temporary residents are only subject to CGT if a CGT event happens to a CGT asset that is taxable Australian property.

Shares in widely held, publicly listed companies aren't generally considered to be taxable Australian property. Therefore, shares that are purchased and sold by a foreign or temporary resident (even if on the Australian stock exchange) are not liable for CGT, as shares are not Australian taxable property.

If you cease to be a temporary resident but remain an Australian resident (for example, becomes a permanent resident or citizen), you are taken to have acquired the shares (excluding pre-CGT shares) for their market value at the time you ceased being a temporary resident.

Temporary residents:

- hold a temporary visa granted under the *Migration Act 1958*
- aren't an Australian resident within the meaning of the *Social Security Act 1991*
- don't have a spouse who is an Australian resident within the meaning of the *Social Security Act 1991*.

The *Social Security Act 1991* defines an 'Australian resident' as a person who resides in Australia and is an Australian citizen or the holder of a permanent visa. A person with a protected special category visa and who was in Australia on or before 26 February 2001 is also considered an Australian resident for the purposes of the Act. This is different to the standards used to determine tax residency.

Anyone who is an Australian resident for tax purposes on or after 6 April 2006 but isn't a temporary resident can't later become a temporary resident, even if they later hold a temporary visa.

For more information, see **Your tax residency**.

Example: capital gain

On 6 November 1997 Ellie bought a parcel of 10,000 shares in AZY at $2.50 per share.

Ellie was charged $50 brokerage for the purchase transaction.

On 14 October 2023 Ellie decided to sell all her AZY shares due to their excellent price of $6.40 per share. Ellie sold 10,000 shares at $6.40 per share and her capital proceeds from the sale were $64,000. She was charged $30 brokerage for the sale transaction.

The cost base of the shares was $25,080 (10,000 × $2.50 price per share + $80 brokerage).

Ellie made a total capital gain of $38,920 on the sale of her AZY shares ($64,000 – $25,080).

As Ellie held her shares for more than 12 months prior to the CGT event she was able to apply the discount method, reducing her total capital gain by 50%.

Ellie reported the sale of her AZY shares in her 2024 tax return by recording a:

- $38,920 total current year capital gain
- $19,460 net capital gain.

Example: capital loss

On 10 November 2023 Trevor purchased a parcel of 18,000 shares in XYZ at $3.60 per share.

Trevor was charged $50 brokerage for the purchase transaction.

A few months later, Trevor's circumstances changed and he decided to sell his shares, even though the current price of the shares was lower than when he purchased them.

On 6 March 2024 Trevor sold all his 18,000 XYZ shares for a price of $2.70 per share and his capital proceeds from the sale of the shares were $48,600. He was charged $40 brokerage for the sale transaction.

The reduced cost base of the shares was $64,890 (18,000 × $3.60 price per share + $90 brokerage).

Trevor has made a total capital loss of $16,290 on the sale of his XYZ shares ($48,600 – $64,890).

Trevor can't offset his capital loss against his income earned from salary and wages in his tax return, however the capital loss can be carried forward indefinitely to offset against future capital gains.

Trevor reported the sale of his XYZ shares in his 2024 tax return by recording a $16,290 capital loss.

Always keep your details updated

Ensure your broker always has your correct personal details, such as full name, date of birth and tax file number (TFN). This helps you because:

- your dividends won't be subject to the 47% no TFN withholding tax
- we can pre-fill more of your information for tax time.

If you bought shares on behalf of your self-managed super fund (SMSF), make sure your broker set up your account using the super fund's details. Otherwise, the shares may be incorrectly matched to you as an individual.

This is a general summary only.

For more information go to **ato.gov.au/shares** or speak to a registered tax professional.

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Tax tips for crypto asset investments

To access or download a copy of this fact sheet in portable document format (PDF), see Tax tips for crypto asset investments (PDF, 305KB).

There's more to investing in crypto assets than just what you buy and sell. You also need to understand your tax obligations.

The way you interact with crypto determines if you need to report income, a capital gain or loss, and if you can claim a deduction.

If you exchange crypto for goods, cash, or other crypto then it's likely a **disposal** for the purposes of capital gains tax (CGT) and you may need to include a capital gain or loss in your tax return.

Make tax time easier by remembering these tips:

- Keep good records
- Report crypto in your tax return
- Report capital gains and losses
- Personal use assets
- Calculate CGT correctly

Keep good records

It’s important to keep good records of all crypto transactions. If you trade crypto, you should keep:

- receipts when you buy, transfer or dispose of crypto assets
- records when you move crypto to or from platforms or smart contracts, including liquidity pools and wrapping
- records of crypto acquisitions such as gifts, airdrops, staking rewards, prizes, and gambling winnings
- records of agent, accountant and legal costs
- records of software costs that relate to managing your crypto assets
- digital wallet records and keys
- dates of the transactions
- the value of the crypto in Australian dollars at the time of the transactions
- what the transaction was for and who the other party was.

You can find out more at **Keeping crypto records**.

Records you need to keep when you buy, hold or sell an investment

<table>
<tr><th>Buying (acquiring)</th><th>Owning (holding)</th><th>Selling (disposing)</th></tr>
<tr>
<td>receipts of transactions, or
documents that display
the crypto asset
the purchase price in Australian dollars
the date and time of the transaction</td>
<td>software costs related to managing your tax affairs
digital wallet records and keys
documents showing the date and quantity of crypto assets received via staking or airdrop</td>
<td>receipts of sale or transfer
documents that display
the crypto asset
the sale or transfer price in Australian dollars
the date and time of the transaction</td>
</tr>
</table>

– what the transaction was for • commission or brokerage fees on the purchase • agent, accountant, and legal costs • exchange records		– what the transaction was for • commission or brokerage fees on the sale or transfer • exchange records • calculation of capital gain or loss

Report crypto in your tax return

What you need to do:

- convert the value of crypto assets to Australian dollars
- include the Australian dollar value of established tokens received by way of airdrops and tokens received as staking rewards as income at '**Other income**'
- include any capital gains or capital losses of crypto assets at the CGT labels on your tax return
  - if you made a capital gain, report it at 'Total current year capital gains' and 'Net capital gains'
  - if you made a capital loss, report it at 'Net capital losses carried forward to later income years'
  - if you're reporting over $10,000 in capital gains and completing the CGT schedule with your tax return, report capital gains and losses at 'Other CGT assets and any other CGT events'.

You can work out your CGT using our **CGT calculator and record keeping tool**. Alternatively you can find a reputable Australian crypto tax calculator to sync your exchange and wallet accounts to assist in calculating your CGT.

Watch: How to complete myTax when you have sold crypto assets, go to **tv.ato.gov.au** and search **sold crypto**.

Report capital gains and losses

You must report 'disposals' of crypto for capital gains tax purposes if you:

- exchange one crypto for another crypto asset, including activities like depositing your crypto assets into liquidity pools and wrapping
- trade, sell or gift crypto
- convert crypto to a fiat currency – for example, to Australian dollars.

Transaction fees paid in fiat currency can be included in the cost base of the crypto you disposed of. However, if your crypto holding reduces during a transfer due to using crypto to cover the fee, the transaction fee is also a disposal and has capital gains tax consequences.

You have a CGT obligation even if you:

- use the proceeds from selling crypto to buy more crypto
- don't convert the proceeds into fiat currency – for example, Australian dollars.

If you transfer crypto from one wallet to another wallet while maintaining ownership of it, it's not a disposal for tax purposes and doesn't need to be reported.

Personal use assets

Crypto assets are usually considered an investment and not a personal use item.

Even if you use your crypto asset investments to buy personal items, this won't change it from being an investment (see Example 1). This includes exchanging crypto for Australian dollars or gift cards or using an online payment gateway to buy personal items.

When you get a crypto asset and use it in a short period of time to buy personal items, it could be a personal use asset (see Example 2).

A capital gain on the disposal of a crypto asset is exempt if:

- the crypto is a personal use asset that's mainly kept or used to purchase personal items
- you got your personal use crypto for less than $10,000.

For more information about personal use assets, see **ato.gov.au/cryptopersonaluse**.

Calculate CGT correctly

If your crypto is held as an investment, you may pay tax on your net capital gains for the year.

To calculate your CGT use your total capital gain:

- subtract any capital losses
- subtract your entitlement to any CGT discount on your capital gain.

Note: Before calculating your capital gain or loss, convert your crypto purchases and disposals into Australian dollars (A$).

When you purchase crypto in a fiat currency and transfer the crypto for another, the amount of the original purchase in the fiat currency forms part of your cost base (see Example 3)

If you acquire crypto by exchanging it for other crypto, the cost base of the original crypto you disposed of in the exchange is the market value in A$ at the time it was acquired (see Example 4).

Capital losses

If you dispose of your crypto for less than it cost you, you may have a capital loss. Capital losses can be used to reduce your capital gains in the current or future income years.

Make sure you report the loss in your tax return so you have it available to offset future capital gains. For more information see **How to work out and report CGT on crypto**.

Example 1: investment in crypto assets

Rosa buys crypto with the intention of selling later at a better exchange rate.

She decides to buy some household items using some of her crypto. Because Rosa's intention was to use the crypto as an investment, the crypto she uses to buy household items isn't a personal use asset.

If Rosa makes a capital gain when she disposes of her crypto to buy household items, it won’t be exempt.

Example 2: personal use asset

Nikesh pays **$50** to acquire crypto each fortnight to buy computer games. In the same fortnight Nikesh uses the crypto to buy computer games directly, where there's no conversion to a fiat currency first.

Nikesh doesn't hold any other crypto.

In these circumstances, Nikesh acquires and uses the crypto in a short period of time to buy personal items. When this occurs, the crypto assets are personal use assets.

In one fortnight, Nikesh sees a computer game he wants to buy from an online retailer that doesn't accept crypto. Nikesh uses an online payment gateway which buys the game on his behalf in exchange for his crypto. Even though the crypto was exchanged through the online payment gateway, it was still held and used in a short period of time to buy a personal item. In these circumstances, the crypto is also a personal use asset.

Example 3: disposing of crypto assets purchased with fiat currency (a currency established by a country's government regulation or law)

Usha purchased 8,000 XRP for **$5,500** Australian dollars. A few days later Usha exchanged her 8,000 XRP for 2 Ether (ETH). Usha needs to report her capital gain or loss from the disposal of crypto (XRP) in her tax return.

Usha's receipt shows she:

- used **$5,500** Australian dollars to purchase 8,000 XRP
- was charged **$5** for brokerage.

Usha's cost base is **$5,500** + **$5**, which totals **$5,505**.

Usha's exchange provides a receipt for the purchase of 2 ETH, but it doesn't include prices in Australian dollars. According to her exchange records, Usha exchanged 8,000 XRP for 2 ETH on 15 July 2023 at 1:30 pm.

At the time of this transaction, the market value of 2 ETH was **$5,600** Australian dollars. Usha's capital proceeds are **$5,600**.

Usha subtracts her cost base (**$5,505**) from her capital proceeds (**$5,600**), which results in a capital gain of **$95**.

Usha is not eligible for a discount or exemption.

Usha keeps a record of her capital gain (**$95**) on the disposal of her XRP to include in her 2024 tax return.

Example 4: exchanging a crypto asset for another crypto asset

A few months later, Usha exchanged her 2 Ether (ETH) for 0.1 Bitcoin (BTC).

Usha's exchange records show she acquired 2 ETH on 15 July 2023 at 1:30 pm for 8,000 XRP. At the time of the transaction, the XRP had a market value of **$5,600** Australian dollars.

Usha's exchange charges her a **$10** brokerage fee to trade 2 ETH for 0.1 BTC.

Usha's cost base is **$5,600** + **$10**, which totals **$5,610**.

Usha's exchange provides a receipt for the acquisition of 0.1 BTC but it doesn't include prices in Australian dollars. Usha's receipt shows she disposed of her 2 ETH for 0.1 BTC on 10 January 2024 at 2:00 pm.

At the time of this transaction, the market value of 0.1 BTC is **$7,000**. Usha's capital proceeds from the exchange of 2 ETH for 0.1 BTC is **$7,000**.

Usha subtracts her cost base (**$5,610**) from her capital proceeds (**$7,000**), which results in a capital gain of **$1,390**.

Usha isn't eligible for a discount or exemption.

Usha keeps a record of her capital gain (**$1,390**) on the disposal of her ETH to include in her 2024 tax return.

This is a general summary only.

- For more information go to **ato.gov.au/cryptoassets**
- If you need help working out your capital gain go to **ato.gov.au/CGT**

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Pay as you go (PAYG) instalments

To access or download a copy of this factsheet in portable document format (PDF), see Pay as you go (PAYG) instalments (PDF, 205KB).

If you earn income from investments such as interest, dividends, rent or royalties, using PAYG instalments will help reduce a potential tax bill when you lodge your tax return.

How PAYG instalments work

Pay as you go (PAYG) instalments allow you to make regular payments during the income year towards your expected end of year tax liability. By paying regular instalments throughout the income year, you will reduce any potential amount you may have to pay when you lodge your tax return.

Automatic entry

We will enter you into PAYG instalments if you have all of the following:

- instalment income, including investment and business income – from your latest tax return of $4,000 or more
- tax payable on your latest notice of assessment of $1,000 or more
- estimated (notional) tax of $500 or more.

If we automatically enter you into PAYG instalments, we will notify you explaining how they work and what you need to do.

You will hear from us through:

- a letter in your myGov Inbox
- Online services for business, or
- Standard Business Reporting (SBR) software.

If none of these apply, you or your registered tax agent will receive a letter in the mail.

Voluntary entry

If you're expecting to earn business and investment income over the threshold, it's a good idea to voluntarily enter PAYG instalments.

You can voluntarily enter using your myGov account linked to the ATO's online services:

- select **Tax**
- select **Manage**
- then enter **PAYG instalments**.

You can also enter through your registered tax agent or by phoning us.

Calculating your PAYG instalments

You can choose from 2 options to work out how to pay:

- **instalment amount** is the simplest option as you pay the amount we calculate for you
- **instalment rate** is when you work out the amount you pay using your investment income and allowable tax deductions and the rate we provide.

Calculating by **instalment rate** is best if your instalment income changes a lot and you want to manage your cashflow. You will need to apply the rate to your income for each period.

Varying PAYG instalments

You can vary your PAYG instalments if your investment or business income reduces or increases compared to the prior income year.

Your variations must be lodged on or before the day your instalment is due.

Your varied amount or rate applies for the remaining instalments for the income year or until you make another variation. Use the PAYG instalments calculator to help you work out your new instalment amount or rate.

Example 1: PAYG instalments for investment income

Fiona sells her home in 2021–22 and decides to rent while she invests her profits from the sale, rather than buying a new home straight away.

Fiona lodges her 2022–23 tax return and reports $10,000 of interest and dividends earned on her investments. She receives her notice of assessment with a tax debt of $1,200.

Fiona is now required to make PAYG instalments and starts paying her instalments quarterly.

In April 2024, Fiona buys a new home with the money she invested. She can either use myGov or phone the ATO to advise that she no longer has an investment. Fiona logs onto her myGov account and exits the system.

The exit is effective from 1 April 2024 because she continued to receive instalment income for the January to March 2024 quarter. She lodges her March 2024 quarter instalment notice on the due date of 28 April 2024.

Example 2: income from interest

Pedro has $500,000 deposited in a high interest savings bank account, which pays 5% p.a. He estimates that he will earn $25,000 in interest on the account for the income year. Pedro pays $200 in bank fees on his account.

Pedro uses the **PAYG instalments individuals calculator** to see if he's eligible to voluntarily enter PAYG instalments. He enters his:

- total investment income of $25,000
- taxable income of $24,800 ($25,000 (investment income) – $200 (bank fees)).

The calculator estimates Pedro needs to pay $1,306 tax this income year. He is eligible to voluntarily enter PAYG instalments. If he doesn't enter, he will receive a tax bill when he lodges his next tax return and will automatically be entered into the system for the following income year.

To work out how much he needs to pay in instalments each quarter, Pedro divides his total estimated tax liability from the calculator by 4 to calculate quarterly instalments:

$1,306 ÷ 4 = $326.50

He needs to pay this when he receives his quarterly instalment activity statement if he chooses to voluntarily enter PAYG instalments.

This is a general summary only.

For more information on PAYG instalments go to ato.gov.au/paygi.

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Investors directory for tax time

We have a range of information, tools and services available to help Australians prepare and lodge their tax return every year:

- Investments and assets – find out what you need to declare and what you can claim for your investments, including rental properties, shares and crypto assets.
- Capital gains tax (CGT) – how to calculate capital gains and losses on assets affected by CGT and the CGT discount.
- Rental properties guide – a guide on how to treat rental property income and expenses.
- Capital gains tax personal investors guide – use this guide for personal investments like shares, units or managed funds.
- Capital gains tax guide – how CGT works and help to calculate net capital gains or losses.
- Depreciating assets guide – a guide on depreciating assets and second-hand depreciating assets.
- Rental property video series – short videos to help understand your tax obligations when owning a rental property.

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Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.