


***TD 93/D60 - Income tax: is an employee entitled to a deduction for work-related expenses reimbursed by his or her employer?***

 This cover sheet is provided for information only. It does not form part of *TD 93/D60 - Income tax: is an employee entitled to a deduction for work-related expenses reimbursed by his or her employer?*

This document has been finalised by TD 93/145.

Draft Taxation Determinations (TDs) represent the preliminary, though considered, views of the ATO. Draft TDs may not be relied on; only final TDs are authoritative statements of the ATO.

---

## Draft Taxation Determination

---

### **Income tax: is an employee entitled to a deduction for work-related expenses reimbursed by his or her employer?**

1. No. An employee is not entitled to an income tax deduction for that part of an expense that is reimbursed.
2. Where an employee is reimbursed for deductible work-related expenses and the reimbursed amount is not included in the employee's assessable income, section 51AH of the *Income Tax Assessment Act 1936* applies to reduce the amount of the expense allowed or allowable as a deduction to the employee by the amount of the reimbursement payment. However, section 51AH does not apply to reduce a deduction for depreciation (see Draft TD 93/D59).

#### *Examples:*

1. *Employee Y is a member of a work-related professional association and pays an annual membership fee of \$200. Y's employer reimburses her for the full amount of the fee. The deductible amount of the membership fee would be reduced to nil.*
2. *Employee Z pays an annual membership fee of \$200 to a work-related professional association. Z is reimbursed \$50 of the fee by his employer. Z would be entitled to a deduction for the unreimbursed amount i.e \$150.*

**Commissioner of Taxation**

04/03/93

---

FOI INDEX DETAIL: Reference No.

Related Determinations: Draft TD92/D59

Related Rulings:

Subject Ref: employment-related expense; reimbursement; work-related expenses.

Legislative Ref: ITAA 51AH

Case Ref:

ATO Ref: CAN AC 752 Pt 6

---

ISSN 1038 - 8982