



# TAX DEDUCTIONS FOR LAWYERS



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# Tax Deductions for Lawyers

If you are in the legal profession, you will be acutely aware that tax minimisation is legal, and that tax avoidance is not. Tax avoidance can attract both civil and criminal penalties, depending on the seriousness of the offence.

However, you can legally minimise your tax obligation by maximising your work-related tax deductions.

The same general tax deduction rules for work-related expenses apply to lawyers as they do to any other occupation or profession in Australia. A tax-deductible, work-related expense must be:

- 1) paid for by you (and you mustn't have been reimbursed for it), and
- 2) directly related to earning your income.

You must also keep records (such as receipts or invoices) to prove any tax-deductible expenses that you claim (in case your tax return is ever audited by the Australian Taxation Office). These records must be kept for five years from the date you lodge your tax return.

It is also important to understand that if part of your expense was for work-related purposes and part was for private purposes, you can only claim the work-related expense portion as a tax deduction.





## Car Expenses

You can claim the cost of travelling from your office to:

- attend court,
- visit a client, or
- a second job if you have one

However, it is important to understand that you can't claim the cost of travelling to and from work.

## Self-education and study expenses

You can claim self-education and study expenses provided that they are directly related to your current employment as a lawyer. For example, professional development activities such as attending training seminars or conferences.

## Travel Expenses

You can claim travel expenses if you need to travel and you are away from home overnight for work-related purposes. Travel expenses you can claim include:

- meals,
- accommodation,
- fares, and
- any other relevant incidental expenses

## Clothing and Laundry Expenses

You can claim the cost of specific legal court attire such as wigs and robes, as well as the cost of cleaning these items.

This guide is provided as general information only and does not consider your specific situation, objectives or needs. It does not represent accounting advice upon which any person may act. Implementation and suitability requires a detailed analysis of your specific circumstances.



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## Home Office Expenses

You can claim the work-related portion of home expenses if you work from home. For example:

- electricity
- depreciation of home office equipment

You can choose to calculate your home office expenses on one of two ways:

- 1) at a set rate of 52 cents per hour for every hour that you work from home, or
- 2) a suitable portion of your actual expenses (for example, the additional electricity that you use as a result of working from home).

## Other Expenses

Other expenses that you can claim as a tax deduction include:

- professional indemnity insurance
- the renewal of your certificates to practise law
- professional association fees
- the cost of professional legal publications
- supreme court library fees

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## How Wilson Pateras Can Help You

Maximising your tax deductions requires a sensible financial strategy. As specialised accountants for lawyers, Wilson Pateras can help you.

Contact us for a complimentary consultation on **03 8419 9800** or visit  
**wilsonpateras.com.au/accounting-for-lawyers**



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