Wilson Pateras

50+

COMMON TAX DEDUCTIONS

YOU CAN & CANNOT CLAIM

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This guide has been designed to help you identify many of the common work-related and investment expenses that may be tax deductible. It provides a practical overview of deductions that may be available to Australian taxpayers and serves as a helpful starting point when gathering information for your tax return.

While this guide highlights over 50 commonly claimed deductions, it is important to remember that not every expense will be deductible for every individual. Whether you can claim an expense depends on your personal circumstances and how the expense relates to earning your assessable income.

Before claiming a deduction, **ensure you meet the Australian Taxation Office's three golden rules**:

- You must have spent the money yourself and not have been reimbursed.
- The expense must directly relate to earning your assessable income.
- You must have a record (such as a receipt, invoice or other evidence) to support your claim.

If an expense is used for both work and private purposes, you can generally only claim the work-related portion.

Need advice? Contact Wilson Pateras

Our Services

Personal

- Personal Tax
- Tax Planning
- Family Groups
- Estate Planning
- Personal Lending
- Philanthropy

Business

- Business Tax
- Advice & Structuring
- Family Businesses
- Business Grants
- Succession Planning
- Carbon Accounting
- Business Lending

Wealth

- Investment Advice
- Retirement Planning
- Wealth Protection
- Self-Managed Super
- Investment Lending

✗ Admission Fees

For lawyers and other professionals. Disallowed as this is a capital cost.

✓ Airport Lounge Membership

Deductions to the extent used for work-related purposes.

✓ Annual Practicing Certificate

Applies to professional persons and other contractors who must pay an annual fee to practice in their chosen field.

✓ Bank Charges

Deductions are allowed if account mainly earns interest. NOT private transaction fees.

✓ Briefcase

If used for work or business purposes, an immediate deduction may be available where the item costs $300 or less. Items costing more than $300 are generally claimed over time as a decline in value.

✓ Calculators + Electronic Organisers

If used for work or business purposes, an immediate deduction may be available where the item costs $300 or less. Items costing more than $300 are generally claimed over time as a decline in value.

✗ Childcare Fees

✗ Club Membership Fees

✓ Coaching Classes

May be deductible for performing artists where undertaken to maintain or improve existing professional skills.

✔ Computer + Software

If used for work or business purposes, software may be immediately deductible where eligible. Otherwise, it is generally claimed over its effective life in accordance with ATO rules.

✔ Working From Home

If you work from home, you may be able to claim work-related running expenses using the ATO's fixed rate method (where eligible) or the actual cost method.

✔ Financial Advice Fees

Ongoing financial advice fees relating to managing existing income-producing investments may be deductible. Fees for establishing or acquiring investments are generally not deductible.

✘ Conventional Clothing

Unless deemed to be stage clothing for an arts performer.

✔ Cryptocurrency Software

✔ Decline in Value (Depreciating Assets)

Claim the decline in value of income-producing assets over their effective life.

✘ Driver's Licence

The cost of obtaining or renewing a standard driver's licence is generally not deductible.

✔ Dry Cleaning

Allowed if the cost of the clothing is also deductible. See also 'Laundry + Maintenance'.

✘ Entertainment Expenses

✗ Fines

Imposed by court, or under law of Commonwealth, State, Territory or foreign country (s26-5).

✓ First Aid Course

Provided it is directly related to employment or business activities.

✓ Gaming Licence

May be deductible where required to perform your employment duties.

✓ Gifts / donations of $2 or more

Gifts or donations of $2 or more may be deductible if made to an approved Deductible Gift Recipient (DGR). Different rules apply to business gifts.

✗ Glasses + Contact Lenses (Prescribed)

Prescription glasses and contact lenses are generally not deductible unless they qualify as protective equipment required for your work.

✓ Glasses + Goggles

Protective only.

✗ Grooming

Unless employed as aircraft cabin crew or a performing artist (limits apply)

✗ HELP / HECS Repayments

Home Office Expenses

If you work from home, you may be able to claim a deduction for work-related running expenses, such as electricity, internet, phone expenses and the decline in value of office furniture and equipment.

Occupancy expenses such as rent, mortgage interest, council rates, land tax and home insurance are generally not deductible unless part of your home is used as a genuine place of business.

Income Protection Insurance

Allowed only if the proceeds upon a claim are assessable.

Insurance - Sickness or Accident

Allowed only if the proceeds upon a claim are assessable.

Interest

Allowed if money borrowed for work-related purposes or to finance income earning assets. Interest paid on underpayment of tax (e.g. General interest charge) is deductible. Fines and administrative penalties are not deductible. Interest on capital protection loans is deductible, except for a non-deductible capital protection component.

Internet + Computer Equipment

Expenses may be claimed to the extent they relate to earning assessable income.

Laundry + Maintenance

Allowed if the cost of clothing is allowable (see 'Clothing, Uniforms and Footwear'). Reasonable claims of up to $150 do not need to be substantiated.

✓ Legal Expenses

Renewal of existing employment contract.

Meals

- ✗ Eaten during normal working day
- ✓ Meals acquired when travelling overnight for work-related purpose
- ✗ Meals when travelling (not overnight)
- ✓ Overtime meals. If allowance received under an award

✓ Medical Examination

May be deductible where required to maintain a work-related licence or certification.

✗ Newspapers

Generally not deductible unless directly related to earning your assessable income (for example, where required in your occupation).

✓ Overtime Meal Expenses

Only if award overtime meal allowance received.

✓ Parking Fees + Tolls

Includes bridge and road tolls (but not fines) paid while travelling for work-related purposes.

Photographs (Performing Arts)

- ✓ Cost of maintaining portfolio
- ✗ Cost of preparing portolio

✔ Prepaid Expenses

Non-business individuals and eligible Small Business Entities may generally claim prepaid expenses immediately where the eligible service period does not exceed 12 months.

✔ Professional Library & Digital Resources

Includes books, professional journals, industry publications, online subscriptions, professional databases and technical reference material. An immediate deduction may be available where:

- the item costs $300 or less
- it is used predominantly to produce assessable income
- it is not part of a set costing more than $300
- any private use is excluded from the claim.

✔ Professional Association Fees

✔ Protective Equipment

A deduction may be available for protective equipment required for your work, including safety clothing, boots, helmets, gloves, safety glasses and, where applicable, sunscreen, sunglasses and broad-brim hats.

✘ Removal + Relocation Costs

Relocation expenses are generally not tax deductible for employees.
In some circumstances, employer-paid relocation expenses may receive concessional Fringe Benefits Tax (FBT) treatment, however this does not make the expense deductible to the employee.

✔ Repairs

Repairs to income-producing property or work-related equipment.

✔ Conferences, Seminars & Professional Development

Conferences, seminars and professional development are generally deductible where they maintain or improve the knowledge or skills required in your current employment.

✘ Client Entertainment & Social Functions

Entertainment and social function expenses are generally not deductible and may have Fringe Benefits Tax implications for businesses.

✔ Self-Education Costs

Self-education expenses may be deductible where the study:

- maintains existing skills; or
- improves skills required in your current occupation.

Expenses are generally not deductible where the study is undertaken to obtain employment in a new occupation or to change careers.

✔ Stationery

Diaries, logbooks, stationery and office supplies.

Subscriptions

✔ Publications where there is a direct connection to earning your assessable income.

✔ Professional associations. Maximum of $42 if no longer gaining assessable income from that profession.

✘ Sports club

✔ Sun protection

Sun protection items such as sunscreen, sunglasses and broad-brim hats may be deductible where you work outdoors.

✔ Superannuation Contributions

Claims allowed in respect of employees of your business. Personal superannuation contributions. To claim your deduction, you need to provide acknowledgement from your superannuation fund that you have submitted an intention to claim form with them. No deduction is available for interest on borrowed monies used to finance deductible personal superannuation contributions.

✔ Tax Agent Fees

- (Deduction can be claimed in the income year the expense is incurred)
- Travel and accommodation expenses if for travel to a tax agent or other recognised tax adviser to obtain tax advice, have returns prepared, be present at an audit or object to an assessment.
- Cost of other incidentals if incurred in having tax return prepared, lodging an objection or appeal or defending an audit.

✔ Technical + Professional Publications

Publications directly related to earning your assessable income.

Telephones + Other Telecommunications Equipment

✔ Including mobiles, pagers and beepers. Cost of telephone calls (related to work purposes)

✔ Rental charges (if 'on call' or required to use on regular basis)

✘ Silent telephone number

✘ Installation or connection (claimed over time as a decline in value if dedicated to earning business income)

✔ Tools

- If used for work or business purposes, tools costing $300 or less may be immediately deductible. Tools costing more than $300 are generally claimed over time as a decline in value.

✘ Trauma Insurance

If benefits capital in nature.

Travel Expenses

- ✗ Including public transport, motor vehicles and motor cycles, fares, accommodation, meals and incidentals for travel between home and work.
- ✓ Where employee has no usual place of employment (e.g. travelling salesperson).
- ✗ If 'on call'
- ✓ If you are working before leaving home (e.g. doctor giving instructions over phone from home. Note that this applies in limited circumstances only).
- ✓ Must transport bulky equipment (e.g. builder with bulky tools) and no reasonable place to leave at work (only where there is no secure place to store the equipment at work and transporting it is essential).
- ✗ Travel from home (which is a place of business) to usual place of employment
- ✓ Travel from home to alternate work place (for work-related purposes) and return to normal work place (or directly home)
- ✓ Travel between normal work place and alternate place of employment (or place of business) and return (or directly home)
- ✓ Travel between two work places
- ✓ Travel in course of employment: Records must be kept to substantiate work-related travel claims.
- ✗ A relative's travel expenses are generally not deductible unless they are also travelling for work-related duties.

✓ Uniform, Clothing + Footwear

- Compulsory Uniform. Uniform must be unique and, to an organisation (e.g. corporate uniform)
- Non-Compulsory Uniform. If on a register kept by the Department of Industry, Science and Tourism.
- Occupational-specific. The clothing identifies a trade, vocation or profession (e.g. chefs and nurses)
- Protective. Must be used to protect the person or their conventional clothing. May include sunscreen.

✓ Union + Professional Association Fees

✗ Vaccinations

✗ Watch

Unless job specific such as a nurse's fob watch.

Remember: *Keep records to support your claims and only claim the work-related portion of any expense used for both work and private purposes.*

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Thank You!

If you would like to book in your tax appointment with one of our advisors, please book online or contact our team.

BOOK YOUR TAX RETURN APPOINTMENT

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