

Work Related Expenses

This checklist is a guide only as results may vary depending on individual circumstances.

Work related deductions are those expenses that taxpayers can claim because they were incurred while performing their work duties.

The expense must:

a) be incurred before 30th June: you must actually incur a work expense before it is allowed as a deduction. For example, a deduction is not allowed for items provided free of charge, or for expenses reimbursed by your employer. The fact that you have received an allowance from your employer (which may or may not be taxed or shown on the payment summary) does not mean an automatic deduction can be claimed against the allowance.

b) satisfy the “nexus test”: there must be a direct nexus (relationship) between incurring the expense and earning your income. No deduction is allowed for an item that is private or domestic in nature (food, drink and shelter), capital in nature or incurred in earning tax exempt income.

c) be substantiated: you are required to obtain and keep written evidence for work related expenses which include car and/or travel records for expenses. Written evidence must be kept for 5 years from the date of lodging your tax return. Every effort should be made to replace lost or missing documentation. Bank statements and credit card statements can be used to substantiate expenses in some situations.

The following checklist is not an exhaustive list but may help you identify possible work related deductions:

EXPENSE INCURRED – 1 July 2010 to 30 June 2011					
TAX DEDUCTIBLE?	YES	NO	TAX DEDUCTIBLE?	YES	NO
Association fees	✓		Annual practising certificate Applies to professional persons and other contractors who must pay an annual fee to practice	✓	
Bank Charges Deductions are allowed if account earns interest. Debits tax charge is deductible if withdrawals were deductible	✓		Briefcase Fully deductible if \$300 or less	✓	
Clothing, uniforms and footwear Non-compulsory uniform <i>not registered</i> with the Department of Industry, Science and Technology or Conventional clothing		X	Clothing, uniforms and footwear Protective, Occupation specific, Compulsory uniform, or Non-compulsory where correctly registered	✓	
Calculators and electronic organisers	✓		Club Membership fees		X
Coaching classes Acting, singing, dancing. - allowed to performing artist.	✓		Computers and software Depreciation allowed on computers unless effective life is less than 3 years. Software is deductible if less than \$300, if over deduct over 2.5 Yrs	✓	
Conferences and seminars Includes training courses designed to maintain or increase employee’s knowledge, skills or ability	✓		Depreciation Tools, equipment and plant used for work purposes (over \$300)	✓	
Driver’s licence Cost of acquiring or renewing		X	Driver’s licence Premium paid for endorsement	✓	
Dry cleaning Allowed if the cost of the clothing is also deductible	✓		Fines Imposed by court under law		X

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First aid courses Provided it is directly related to employment or business activities	✓		Gaming licence (Hospitality industry)	✓	
Glasses and goggles (Protection only)	✓		Glasses and contact lenses		X
Home office expenses Occupancy expenses (e.g. interest, rent, insurance, rates and land tax) Possible claim if used as place of business		X	Home office expenses Running expenses (heat, light, power, depreciation on plant and equipment) allowed to extent used for employment purposes	✓	
Interest Allowed if money borrowed is work related or if finance income earning assets	✓		Income protection insurance Allowed only if the proceeds are assessable	✓	
Internet and data access costs Expenses allowed to extent incurred in share investing , self education or work related	✓		Laundry and maintenance Allowed if clothing also deductible (see clothing) Reasonable claims of up to \$150 do not need to be substantiated	✓	
Meals Eaten during normal day or meals when not travelling overnight		X	Meals Overtime meals If allowance received under award or acquired when travelling overnight for work related purposes	✓	
Professional library New books for an established library - full claim if cost \$300 or less, otherwise depreciated	✓		Removal and relocation costs If paid by the employer, these costs may be exempt from FBT		X
Protective equipment Includes harnesses, goggles, safety glasses, breathing masks, helmets, boots	✓		Social functions		X
Stationery (dairies, log books etc.)	✓		Subscriptions Professional associations, maximum deduction \$42 if no longer gaining assessable income from that profession	✓	
Subscriptions Sports clubs		X	Sun Protection	✓	
Technical and professional publications	✓		Telephone Includes mobiles, pagers, beepers, cost of telephone calls and rental charges	✓	
Telephone Installation or connection		X	Tools If costs is \$300 or less, full deduction	✓	
Tools Cost more than \$300, depreciated – see above		X	Union fees	✓	

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