



Business expenses: Know what you can (and can't) claim

Tax time is nearly over and knowing what you can (and can't) claim will help ace your tax return.

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Managing your business finances effectively starts with knowing which expenses are deductible, and which ones aren't.

You can claim a tax deduction for most business expenses, provided they meet our 3 golden rules:

- The expense must be for business use, not for private use.
- If the expense is for a mix of business and private use, you can only claim the portion that is used for business.
- You must have records to prove your claim.

Keep in mind there are some expenses you can't claim. This includes entertainment or private expenses, traffic fines, and expenses that relate to earning non-assessable income.

Take Leah for example. Running her own candle business from home, she follows our golden rules to prepare her tax return. She knows she can claim business-related expenses like wax supplies, a portion of her electricity used to melt wax, and marketing costs for her website and social media ads. Leah also knows what she can't claim. This includes her Netflix subscription (even if she watches while packing orders), tolls from weekend getaways, and coffees with friends, even when business comes up.

Following these rules, Leah claims business expenses correctly, apportions business and private costs properly, and maintains accurate records. She can now lodge her return with confidence.


For more information, visit **business deductions**. For tailored advice about your tax and super needs, speak to your registered tax agent.

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