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Quarantine and testing expenses when travelling for work

Deductions for expenses you incur if you're travelling for work during COVID-19 and must quarantine.

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Eligibility to claim quarantine and testing expenses

If you travel and stay away from your home overnight on a work trip, you can claim expenses you incur for:

- being required to quarantine because of COVID-19
- taking a COVID-19 test, such as a polymerase chain reaction (PCR) test or rapid antigen test (RAT).

Quarantine expenses

If you must quarantine either during or after overnight work-related travel, your quarantine is an extension of that travel. In these circumstances, the quarantine is part of your employment duties and you can claim a deduction for accommodation, meal and incidental expenses you incur while you are quarantining.

If your overnight travel is not work-related, your quarantine expenses are private in nature. You can't claim a deduction for these expenses.

You also can't claim a deduction for quarantine expenses you incur when you either:

- travel to or from a work location and need to quarantine

- need to quarantine for another purpose (for example, returning from a private holiday), even if you worked, or were able to work, from the quarantine location.

If you incur expenses for both work purposes and private purposes, you will need to apportion your expenses. You can only claim the expenses that relate to your work activities.

Example: quarantine after overnight work-related travel

Mai was travelling for work for a sales tour of Victoria for 3 weeks. On her return to Sydney, Mai must quarantine for 2 weeks in a hotel.

As Mai is only travelling for work duties, she can claim a deduction for costs she incurs while in quarantine for her:

- accommodation
- food and drinks
- incidental expenses.

Example: quarantine expenses after holiday travel

Rojesh lives and works in Brisbane. He travels to Sydney for a holiday for 2 weeks.

Sydney was designated a COVID-19 hotspot during his trip. When he returns to Brisbane, he must quarantine for 2 weeks in a hotel and can't return to work. He pays for his accommodation, food and drink expenses during this 2-week period.

While Rojesh is in quarantine he is able to work using his laptop and keep normal business hours. Even though he is working while in quarantine, Rojesh can't claim a deduction for his accommodation, food and drink expenses.

His expenses are private in nature as his travel was not for work purposes.

Example: returning from overseas working holiday

Phillip takes a year of his long service leave to live and work in the United Kingdom. When his leave ends he returns to Adelaide.

When he arrives in Adelaide, he must quarantine in a hotel for 2 weeks. While in quarantine Phillip works for his Australian employer using his laptop.

As Phillip is returning to live in Australia, the expenses he incurs while in quarantine are not a result of travelling for work.

Therefore, his quarantine expenses are private in nature and he can't claim a deduction.

For information about records you need, see:

- Keeping travel expense records
- Record keeping exceptions for travel allowance expenses.

COVID-19 testing expenses

You may require a COVID-19 test by the destination jurisdiction in order to:

- enter the overseas country or state
- return to Australia or your home state.

Travel expenses include incidental expenses that are minor but necessary expenses associated with your overnight work-related travel. The cost of a COVID-19 test is an incidental expense when the travel is in the course of your employment. In these circumstances, the cost of a COVID-19 test is a deductible expense.

If you do not have to pay for the COVID-19 test or your costs are reimbursed, you can't claim a deduction

If your travel is for both work and private purposes, you may need to apportion your expenses.

Example: travel expenses are deductible

Therese is employed as the state manager of a company that operates clothing stores. Each year, the state managers attend an 8-day overseas trip to Italy to meet with buyers and distributors. Therese decides to attend the meetings.

Before entry into Italy and return to Australia, Therese buys 2 COVID-19 tests as she will need proof of a negative COVID-19 test taken within the last 3 days. Therese has receipts for the expenses.

As the travel is in the course of Therese's employment, the cost she incurs on the COVID-19 tests is in the course of performing her income-producing activities. Therese is travelling for work and can claim a deduction for the cost of the COVID-19 tests.

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