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Other deductions

How to complete myTax if you have other deductions.

Personal super contributions

How to claim a deduction for personal super contributions when you lodge your return using myTax.

Project pool

How to claim deductions for certain capital expenditure when you lodge your return using myTax.

Forestry managed investment scheme deductions

How to claim deductions from forestry managed investment schemes in myTax.

Low-value pool

How to claim deductions for low-cost and low-value assets in your return using myTax.

Other deductions

How to complete myTax if you have other deductions.

QC 80160

myTax 2020 Personal superannuation contributions

How to claim a deduction for personal super contributions when you lodge your return using myTax.

Last updated 15 July 2020

On this page

[Things to know](#)

[Completing this section](#)

Complete this section only if your super fund or retirement savings account (RSA) provider has given you an acknowledgment of your valid notice which advised them of the amount you intend to claim as a deduction.

Things to know

Personal super contributions are amounts you have paid to an eligible complying super fund or RSA to provide superannuation benefits for yourself, or for your dependants in the event of your death.

You may be able to claim a deduction for these contributions in 2019–20 if all the following apply:

- the [eligible contributions](#) were made from after-tax income to a complying super fund or RSA
- you meet the [age restrictions](#)
- your valid [notice of intent](#) has been sent and acknowledged by your fund.

Claiming a deduction may have an impact on several areas including:

- income tests for eligibility for certain tax offsets and government benefits
- super contribution caps.

Before claiming a deduction, you should consider broader tax outcomes that may apply if you have:

- withdrawn your super under the COVID-19 Early release of super program, and
- recontributed that amount back into your super fund to claim a personal super contribution deduction.

Any tax benefit obtained in relation to such a deduction could be cancelled if you enter into a scheme mainly for the purpose of obtaining a tax benefit.

See also

- The effects of claiming a deduction
- Super contributions – too much can mean extra tax

Eligible contributions

You may be able to claim a deduction for personal super contributions that you made to your eligible super fund or RSA provider from your **after-tax** income, for example, from your bank account directly to your super fund.

To be eligible to claim a deduction:

- the contributions must have been **received** by your super fund or RSA provider before 1 July 2020
- the super fund or RSA provider still holds the contributions you've included on your [notice of intent](#)
 - this requirement may not be met if, for example, you withdrew those contributions under the COVID 19 – Early release of superannuation scheme before giving the notice.

Most super funds have deductible status. If you are unsure:

- you can check if personal contributions made to your fund are deductible by selecting **Fund details** under the **Super** tab in your

ATO Online account (accessed via myGov), and referring to the **Deductible status**

- contact your super fund.

See also

- Claiming deductions for personal super contributions

What you can't claim

You **can't** claim a deduction:

- for super contributions paid by your employer directly to your super fund or RSA provider from your **before-tax** income such as
 - the compulsory superannuation guarantee
 - salary sacrifice amounts
 - reportable employer superannuation contributions from your annual income statement or payment summary and shown in the **Income tests** section
- for contributions to the following types of funds
 - a Commonwealth public sector superannuation scheme (super scheme) with a defined benefit interest
 - constitutionally protected funds or other untaxed funds that would not include the contributions in their assessable income
 - super funds that notified the Commissioner before the start of the income year that they elected to treat all member contributions to the
 - super fund as non-deductible
 - defined benefit interest within the super fund as non-deductible
- where you made contributions to a super fund or RSA provider that are attributable to the following super housing measures
 - downsizer contributions
 - re-contributions of amounts released under the first home super saver (FHSS) scheme
- where either of the following applied

- you made a contribution that was attributable, either in whole or in part, to a capital gain that you made and
 - you chose to apply the small business capital gains tax retirement exemption to all or part of that capital gain, and
 - you were under 55 years old just before you made that choice, or
- the contribution was attributable, either in whole or in part, to a capital gain and
 - a company or trust chose to apply the small business capital gains tax retirement exemption to all or part of that capital gain, and
 - you were under 55 years old just before the contribution was made.

See also

- What you can't claim

Age restrictions

A number of **age restrictions** apply to making a claim:

- If you turned 75 years old before 1 June 2019, you are not eligible to claim a deduction for personal superannuation contributions for 2019–20.
- If you turned 75 years old between 1 June 2019 and 30 June 2020, you can only claim a deduction for contributions you made before the 28th day of the month following the month in which you turned 75.
- Once you turn 65, you must satisfy the **work test** or meet the **work test exemption criteria** in order for your super fund to accept a contribution for which you can claim a deduction. You should check with your super fund or RSA provider.
- If you were under 18 years old on 30 June 2020 and you made the contribution in 2019–20, you can claim a deduction for your personal super contributions only if you earned income from:

- activities or circumstances which treat you as an employee for superannuation guarantee purposes, such as, salary or wages or other remuneration in return for your personal labour or skills
- carrying on a business.

Notice of intent – valid and acknowledged

All of the following must apply to make a claim:

- you gave a **valid notice** of intent to claim or vary a deduction for personal super contributions to your super fund or RSA provider in the approved form advising them of the amount you intend to claim as a deduction (you must give this notice on or before the day you lodge your 2020 tax return or 30 June 2021, whichever is earlier)
- your super fund or RSA provider acknowledged your valid notice
- until you receive an acknowledgment from your super fund or RSA provider, you are not entitled to a deduction for personal super contributions
 - you may either wait to lodge your tax return until you receive the acknowledgment, or
 - you may lodge now (without claiming the deduction) and request an amendment once you have received the acknowledgment.

If your super fund or RSA provider has rejected your notice or advised that it is not valid, you are not entitled to claim a deduction.

See also

- Notice of intent to claim or vary a deduction for personal super contributions
- How do I change an amount previously included on a valid notice?

Income splitting

If you don't claim an income tax deduction for personal super contributions, they can't be split to your spouse's super account. If you're planning to split all or part of your contributions with your spouse but want to claim a tax deduction for them, you must give the notice of intent to claim a deduction first. See: **Splitting amounts to your spouse.**

Super contribution caps and government super contributions

The amount of your personal super contributions that is allowed as an income tax deduction will count towards your **concessional contributions cap**. The amount of your personal contributions that is not allowed as an income tax deduction will count towards your **non-concessional contributions cap**.

You may be entitled to a super co-contribution for your personal contributions that you do not claim as a tax deduction. **Do not** include any amount at this section for the purpose of asking us for a super co-contribution. We calculate this automatically from information reported by your super fund or RSA provider and from other sections on your tax return.

See also

- Super co-contribution
- Low income super tax offset

Completing this section

We pre-fill your return with personal super contribution deductions that your super fund or RSA provider has acknowledged from your valid notice of intent. Check them, and add any deductions that your super fund or RSA provider has acknowledged from your valid notice of intent that has not pre-filled.

To personalise your return to show personal superannuation contributions, at **Personalise return** select:

- You had deductions you want to claim
- Other deductions

To show your personal superannuation contributions, at **Prepare return** select 'Add/Edit' at the Deductions banner.

At the **Personal super contributions** banner:

1. For each super fund or RSA provider you contributed to that has not pre-filled and you have confirmed that you meet all [contribution](#), [age restriction](#) and [notice of intent](#) eligibility criteria, select **Add** and enter the fund name.

2. Answer the question **Did you provide your fund (including a retirement savings account) with a notice of intent to claim a deduction for personal superannuation contributions, and receive an acknowledgment from your fund?**

If **No**, go to step 5.

If **Yes**, go to step 3.

3. Enter the **Fund ABN** or **Fund TFN**.

4. Add up and enter the 2019–20 contributions which you are eligible to claim as a tax deduction at **Amount**.

You can't claim an amount higher than the amount your super fund or RSA provider acknowledged.

The deduction you claim can only reduce your taxable income to nil. It can't add to or create a loss.

5. Select **Save**.

6. Select **Save and continue** when you have completed the **Deductions** section.

Note: You can check your super fund details by selecting **Fund details** under the **Super** tab in your ATO Online account, accessed via myGov. A link to your fund website will also be provided there which you may find useful.

Record keeping

Keep your notice of intent to claim a deduction and the acknowledgment of your notice from your super fund or RSA provider, as we may ask to see them.

QC 62394

myTax 2020 Deduction for project pool

How to claim deductions for certain capital expenditure when you lodge your return using myTax.

Last updated 28 October 2020

On this page

[Things to know](#)

[Completing this section](#)

Complete this section if you had capital expenditure directly connected with a project.

Things to know

You may be able to claim a deduction at this section for capital expenditure allocated to a project pool for a project you:

- operated in 2019–20 for a taxable purpose
- carried on, or proposed to carry on, for a taxable purpose which was abandoned, sold or otherwise disposed of in 2019–20, before or after it started to operate.

You can't claim a deduction here for:

- private or domestic expenditure such as the cost of constructing a driveway at your home
- capital expenditure directly connected with a project undertaken in carrying on a business.

A **depreciating asset** is an asset that has a limited effective life and can reasonably be expected to decline in value over the time it is used.

A **taxable purpose** is the purpose of producing assessable income, the purpose of exploration or prospecting, the purpose of mining site rehabilitation or environmental protection activities.

Certain capital expenditure you incurred after 30 June 2001, which was directly connected with a project that you carried on (or proposed to carry on) for a taxable purpose, can be allocated to a project pool and written off over the 'project life'. The expenditure must not otherwise be deductible or form part of the cost of a depreciating asset you hold or held.

Such capital expenditure, known as a 'project amount', is expenditure incurred:

- to create or upgrade community infrastructure for a community associated with the project; this expenditure must be paid, not just incurred, to be a project amount
- for site preparation for depreciating assets (other than in draining swamp or low-lying land or for clearing land for horticultural plants)
- for feasibility studies or environmental assessments for the project
- to obtain information associated with the project
- in seeking to obtain a right to intellectual property
- for ornamental trees or shrubs.

The project amounts are allocated to a 'project pool'. Each project has a separate project pool.

If you are unsure whether the capital expenditure you incurred qualifies as a project amount, see **Guide to depreciating assets**.

You spread your deduction for project amounts allocated to a project pool over the project life:

- The project life is the period from when the project starts to operate until when it stops operating.
- The project life isn't determined by how long you intend to carry on the project. Factors outside your control, such as something inherent in the project such as a legislative or environmental restriction that limits the project's operating period, are relevant to estimating the project life.
- If there is no finite project life, there is no project and therefore no deduction is available under these rules.

You start to deduct amounts for a project pool for the income year when the project starts to operate. So, if you started to operate a project in 2019–20 for a taxable purpose, a deduction is available 2019–20.

If your project operated in 2019–20 for purposes other than taxable purposes, you must reduce the deduction amount by a reasonable amount for the extent to which the project operated for other than taxable purposes.

The amount is assessable income and must be shown at **Other income** if, in 2019–20, you:

- recouped an amount of expenditure allocated to the project pool, or
- derived a capital amount in relation to a project amount or something on which a project amount was expended.


Completing this section

To personalise your return to show a deduction for project pools, at **Personalise return** select:

- You had deductions you want to claim
- Other deductions

To show a deduction for project pools, at **Prepare return** select 'Add/Edit' at the Deductions banner.

At the **Deduction for project pool** banner:

1. For each project pool, select **Add**, enter the project pool description and work through the following steps to calculate your project pool deduction amount.
2. Did you conduct transactions in a foreign currency for your project in 2019–20?
Yes – See [Foreign exchange rules](#). Go to step 3.
No – Go to step 3.
3. Use the [Project pool calculator \(XLSX, 123KB\)](#)  to calculate your project pool deduction.
When you have calculated your project pool deduction, go to step 4.
4. Enter your 2019–20 project pool deduction into **Project pool deduction amount**.
5. Select **Save**.
6. Select **Save and continue** when you have completed the **Deductions** section.

If your project was abandoned, sold or otherwise disposed of in 2019–20, then any amount you received for the abandonment, sale or other disposal is assessable income. This must be shown at **Other income**.

Foreign exchange rules

The pool value can be subject to adjustments. An adjustment could happen under foreign exchange (forex) rules that apply to transactions conducted in foreign currency.

If during 2019-20 you met or otherwise ceased to have an obligation to pay in a foreign currency a project amount which you allocated to a project pool, you might have derived a gain or incurred a loss under these rules. If the amount in foreign currency became due for payment within 12 months after the time you incurred it, usually the pool value will be reduced by any such gain (known as a forex gain) and it will be increased by any such loss (known as a forex loss).

If the forex gain exceeds the pool value, the pool value is reduced to zero and the residual gain is assessable income which you should include at **Other income**. If you had previously elected that this treatment (known as 'the 12-month rule') should not apply, any gain will be assessable and should be included at **Other income** and any loss will be deductible and should be included at **Other deductions**.

For more information about the forex rules, see: [Foreign exchange gains and losses](#).

QC 62366

myTax 2020 Forestry managed investment scheme deductions

How to claim deductions from forestry managed investment schemes in myTax.

Last updated 1 June 2020

On this page

[Things to know](#)

[Completing this section](#)

Complete this section if you made payments to a forestry managed investment scheme (FMIS).

Things to know

Forestry managed investment scheme (FMIS) rules aim to encourage the expansion of commercial plantation forestry in Australia through the establishment and tending of new plantations for felling.

An FMIS can have two different types of investors – initial participants and subsequent participants.

You are an **initial participant** if you meet all of the following conditions:

- the scheme is a **qualifying scheme**
- you obtained your forestry interest from the forestry manager of the scheme
- the payment you make for your interest results in the establishment of trees.

You are a **subsequent participant** if you obtained your interest in an FMIS through secondary market trading.

A promoter, arranger or manager of an FMIS can't be a participant in that scheme.

Visit **Initial participants** to learn more about deductible initial and ongoing payments made under an FMIS, including if you did not hold your forestry interest for four years.

Visit **Subsequent participants** to learn more about deductible ongoing payments made under an FMIS. As a subsequent participant, you can't claim a deduction for the cost of acquiring your forestry interest.

You can't claim

You can't claim a deduction at this section for any of the following payments:

- payments for borrowing money
- interest and payments in the nature of interest (such as a premium on repayment or redemption of a security, or a discount of a bill or bond)
- payments of stamp duty
- payments of goods and services tax (GST)

- payments that relate to transportation and handling of felled trees after the earliest of the following
 - sale of the trees
 - arrival of the trees at the mill door
 - arrival of the trees at the port
 - arrival of the trees at the place of processing (other than where processing happens in-field)
- payments that relate to processing
- payments that relate to stockpiling (other than in-field stockpiling).

Completing this section

For each forestry interest you held in an FMIS as:

- an initial participant, you will need to work out the amount of your deductible initial and ongoing payments made under an FMIS
- a subsequent participant, you will need to work out the amount of your deductible ongoing payments made under an FMIS.

To personalise your return to show forestry managed investment scheme deductions, at **Personalise return** select:

- You had deductions you want to claim.
- Other deductions.

To show forestry managed investment scheme deductions, at **Prepare return** select 'Add/Edit' at the Deductions banner.

At the **Forestry managed investment scheme deductions** banner:

1. For each FMIS deduction, select **Add**, and
 - enter **Your description**
 - enter the **Amount**.
2. Select **Save**.

3. Select **Save and continue** when you have completed the **Deductions** section.

See also

- Keeping records

QC 61949

myTax 2020 Low-value pool deduction

How to claim deductions for low-cost and low-value assets in your return using myTax.

Last updated 1 June 2020

On this page

[Things to know](#)

[Completing this section](#)

Complete this section to claim a deduction for the decline in value of **low-cost** and **low-value** assets that you:

- used in the course of producing income you show on your tax return, and
- allocated to what is called a **low-value pool**.

Things to know

Low-cost assets are depreciating assets that cost less than \$1,000.

Low-value assets are depreciating assets that:

- are **not** low-cost assets
- on 1 July 2019, had an opening adjustable value of less than \$1,000 under the diminishing value method.

You can have only one low-value pool.

Once you choose to allocate a low-cost asset to the low-value pool, you must allocate to the pool all other low-cost assets you start to hold in that year and in future years. Once allocated, those assets must remain in the pool.

However, you can decide whether to allocate low-value assets to the low-value pool on an asset-by-asset basis.

Assets you can allocate to a low-value pool include assets you use:

- in your work as an employee, or
- to gain rental income.

If you claim the deduction at this section, do not claim it as a work-related expense or rental expense.

The following can't be included in a low-value pool:

- assets you have previously claimed deductions for using the prime cost method
- assets that cost \$300 or less for which you can claim an immediate deduction
- assets for which you deduct amounts under the simplified depreciation rules for small business entities.
- horticultural plants
- an asset that is primarily for use in your employment, if your employer provided it, paid for it or reimbursed you for any of its cost, and the benefit was exempt from fringe benefits tax. Assets excluded in these circumstances could include:
 - a portable electronic device (a laptop, portable printer, personal digital assistant, calculator, mobile phones or a portable GPS navigation receiver)
 - computer software
 - protective clothing
 - a briefcase
 - a tool of trade.

When you allocate an asset to a low-value pool, you must make a reasonable estimate of the percentage you will use the asset to produce your assessable income over its effective life (for a low-cost asset) or remaining effective life (for a low-value asset). This estimate is your **taxable use percentage** for the asset.

You work out your low-value pool deduction using a diminishing value rate. A rate of 37.5% is generally applied to the pool balance. However, a rate of 18.75% (that is, half the normal pool rate) is applied to the **taxable use percentage** of:

- the cost of each low-cost asset you allocated to the pool in 2019–20
- any additional capital costs (such as improvements) you incurred in 2019–20 for assets you allocated to the pool in an earlier income year and for low-value assets you allocated to the pool in 2019–20.

For more information, see [Guide to depreciating assets](#).

Do not show at this section

Do not show the following at this section:

- assets for which you deduct amounts under the simplified depreciation rules for small business entities, go to **Business income or losses**
- your low-value pool if it contains assets only used in business and not for any other income producing purpose, go to **Business income or losses**.

Completing this section

To personalise your return to show your low-value pool deduction, at **Personalise return** select:

- You had deductions you want to claim
- Other deductions

To show your low-value pool deduction, at **Prepare return** select 'Add/Edit' at the Deduction banner.

Within the **Low-value pool deduction** banner:

1. Work out your total low-value pool deduction using the Depreciation and capital allowances tool or [Worksheet 1](#).

The **Depreciation and capital allowances tool** can help you to work out any low-value pool deduction. Access this tool when you add your low-value pool deduction.

Fields from this tool can't be adjusted in myTax. To make any adjustments or to add new assets to the tool, select the 'Use the depreciation and capital allowances tool' link.

If you used the Depreciation and capital allowances tool and saved to myTax, go to step 4.

2. If you used Worksheet 1:
 - enter the amount at row **i** from Worksheet 1 into the **Total decline in value deduction** field
 - use [Worksheet 2](#) to work out the closing balance.
3. Select **Save**.
4. Select **Save and continue** when you have completed the **Deductions** section.

Keep a record of your 2019–20 closing balance for your 2020–21 tax return.

Working out your deduction and the pool closing balance

Worksheet 1 - Working out the low-value pool deduction

Row	Low-value pool deduction	Amount
a	The closing balance of the pool for 2018–19. If you did not have a low-value pool in 2018–19, show 0 .	\$
b	For each low-value asset allocated to the pool in 2019–20, multiply its opening adjustable value (on 1 July 2019) by your taxable use percentage for the asset. Add up the amounts and show the total.	\$

c	Add rows a and b .	\$
d	Multiply row c by 0.375.	\$
e	For each low-cost asset allocated to the pool in 2019–20, multiply its cost (including additional capital costs incurred in 2019–20, such as improvements) by your taxable use percentage for the asset. Add up the amounts and show the total.	\$
f	For each <ul style="list-style-type: none"> • asset allocated to the pool in a prior income year, and • low-value asset allocated to the pool in 2019–20 for which you incurred additional capital costs (such as improvements) in 2019–20, multiply the costs by your taxable use percentage for the asset. Add up the amounts and show the total.	\$
g	Add rows e and f .	\$
h	Multiply row g by 0.1875.	\$
i	Add rows d and h .	\$

The amount at row **i** is the total low-value pool deduction.

Worksheet 2 - Working out the closing pool balance

Row	Closing balance for 2019–20	Amount
j	Transfer amount from row a in worksheet 1.	\$
k	Transfer amount from row b in worksheet 1.	\$

l	Transfer amount from row e in worksheet 1.	\$
m	Transfer amount from row f in worksheet 1.	\$
n	Add rows j, k, l and m .	\$
o	Transfer amount from row i in worksheet 1.	\$
p	Take row o away from row n .	\$
q	For each pool asset subject to a balancing adjustment event in 2019–20, multiply its termination value by your taxable use percentage for the asset. Add up the amounts and show the total.	\$
r	Take row q away from row p . This is your closing pool balance for 2019–20.	\$

Note:

Some common events, such as the sale or disposal of an asset in the low-value pool, or the asset's loss or destruction, result in a 'balancing adjustment event'.

If there has been a balancing adjustment event for an asset in the pool, you must reduce the closing pool balance. To do this, you multiply the asset's termination value (generally any proceeds, including any insurance payout, from the event) by your taxable use percentage for the asset. Your closing pool balance is reduced by the amount that results from this calculation. There is space for you to include this amount in Worksheet 2. If this amount is more than the closing pool balance, you reduce the closing pool balance to nil and include the excess amount at **Any other income**.

myTax 2020 Other deductions

How to complete myTax if you have other deductions.

Last updated 15 July 2020

On this page

[Things to know](#)

[Completing this section](#)

Complete this section if you have incurred other expenses that you have not been able to claim as deductions elsewhere on your tax return.

Things to know

At this section you may claim:

- income protection, sickness and accident insurance premiums
- election expenses for local, territory, state or federal candidates
- [expenses related to income you earned from the sharing economy or other marketplace](#) where you were **not**:
 - carrying on business, or
 - an employee of the digital platform
- [foreign exchange losses](#)
- [debt deductions](#) incurred in earning assessable income that are not disallowed under the thin capitalisation rules and have not been claimed elsewhere
- debt deductions incurred in earning certain foreign non-assessable non-exempt income that are not disallowed under the thin capitalisation rules
- amounts deductible for certain business-related capital expenditure under [section 40-880](#) of the *Income Tax Assessment Act 1997* (ITAA 1997)

- over five income years (relating to a business you carried on through a company or a trust), or
- immediately as start-up expenses relating to the structure or the operation of the business that is proposed to be carried on
- a deduction for the [net personal services income loss of a personal services entity that related to your personal services income](#)
- certain deductible capital expenditure not claimed in full before ceasing a primary production business where a deduction can be claimed in a subsequent year or years; for example, water conservation expenditure, which may be deducted over a three-year period
- non-capital losses incurred on the disposal or redemption of a traditional security which are deductible under section 70B of the *Income Tax Assessment Act 1936* (ITAA 1936); for more information, see the section on **Sale or disposal of company bonds and convertible notes** in *You and your shares*
- small business pool deductions for depreciating assets of your small business pool that you can't claim at **Business income or losses** because you did not carry on a business in 2019–20; for more information, see **Small business entity concessions**
- [self-education expenses you incurred in doing a course to satisfy the study requirements of a taxable scholarship](#).

You can't claim deductions for expenses incurred in actively seeking paid work if you receive JobSeeker Payment, Newstart Allowance or Youth Allowance as a job seeker.

Don't show the following expenses at this section:

- your claim for **working from home** expenses, go to **Other work-related expenses**
- expenses relating to your work as an employee
- expenses relating to income from carrying on a business as a sole trader (including personal services income or as a share trader)
- expenses relating to investment planning and advice involving shares, unit trusts and interest-bearing deposits

- losses from the disposal of shares or real property that are capital in nature.

Other sections deal with these matters.

Completing this section

We pre-fill your tax return with other deductions you uploaded from myDeductions. Check them, and add any other deductions that have not pre-filled.

To personalise your return to show your other deductions or election expenses, at **Personalise return** select:

- You had deductions you want to claim
- Other deductions

To show your other deductions, at **Prepare return** select 'Add/Edit' at the Deductions banner.

At the **Other deductions** banner:

1. For each of your other deductions (excluding election expenses) select **Add**, and
 - select the **Type of deduction**
 - enter **Your description**. To assist in record keeping, add a short description of your expense.
Include '**Scholarship expenses**' in your description if your deduction is for Self-education expenses related to satisfying the study requirements of a taxable scholarship.
 - enter the **Amount**.
The **Depreciation and capital allowances tool** can help you to work out any decline in value. It can also work out any deductible balancing adjustment when you stop holding a depreciating asset. Access this tool in the **Deductions** section.
Fields from this tool can't be adjusted in myTax. To make any adjustments, or to add new assets to the tool, select 'Use the depreciation and capital allowances tool' link.
2. Select **Save**.
3. Select **Save and continue** when you have completed the **Deductions** section.

To show your election expenses, at **Prepare return** select 'Add/Edit' at the Deductions banner.

At the **Election expenses** banner:

4. Add up all your deductible election expenses and enter the amount into the **Election expenses** field.
5. Select **Save**.
6. Select **Save and continue** when you have completed the **Deductions** section.

See also

- Records you need to keep
- myDeductions – record-keeping in the ATO app.

More information

Find out about

- [Expenses related to income earned through the sharing economy or other marketplaces](#)
- [Foreign exchange losses](#)
- [Debt deductions](#)
- [Section 40-880 deductions](#)
- [Net personal services income loss of a personal services entity that related to your personal services income](#)
- [Self-education expenses related to satisfying the study requirements of a taxable scholarship](#)

Expenses related to income earned through the sharing economy or other marketplaces

The sharing economy is economic activity through a digital platform (such as a website or an app) where people share assets or services for a fee. Amounts you receive are assessable income, even if you are not carrying on a business.

Include at this section expenses you incurred that relate to income you received from renting or hiring (sharing) out your assets through a digital platform.

If you own or lease an asset jointly, then you claim your deduction in proportion to your share of ownership.

Car expenses have special deduction rules, which do not apply to other vehicles such as trucks, motorbikes, bicycles or self-drive recreational vehicles (RVs). For more information, see [Peer-to-peer car sharing – car expenses](#).

Caravan or RV expenses have special rules for calculating apportionment for income-producing and private use. For more information, see [Peer-to-peer caravan sharing – apportioning expenses](#).

At this section, also include expenses you incurred that relate to income you received from providing services or completing tasks through a digital platform, except income earned as an employee of a digital platform.

Don't show expenses at this section related to:

- income earned through sharing economy or marketplace activities where you are carrying on a business. Show this amount at **Business income or losses**.
- rental income, such as renting all or part of your home. Show this in **Rent**.
- employee salary or wages. Show this amount at the relevant deduction item in the **Deductions** section.

You must apportion your expenses for private use. You can only claim deductions for your expenses to the extent that they relate to your income-producing activities. You may be able to claim fees or commission charged by a digital platform as a 100% deduction.

For more information go to [The sharing economy and tax](#).

Foreign exchange losses

At this section, include any deduction for foreign exchange losses (forex losses).

Don't show forex losses at this section:

- that you have included in calculating your business net income or loss at **Business income or losses**

- any foreign source forex losses you have included at **Other foreign income**.

Show any assessable foreign exchange gains (forex gains) at **Other income**.

Losses attributable to a fluctuation in a currency exchange rate or to an agreed exchange rate differing from an actual exchange rate are brought to account when they are realised. This is when you:

- dispose of either foreign currency, or a right to such currency
- cease to have a right to receive or pay foreign currency, or
- cease to have an obligation to pay or receive foreign currency.

Some forex losses are not deductible, for example:

- losses of a private or domestic nature
- losses relating to exempt income.

In some cases, forex losses are also not deductible on the:

- acquisition of capital or depreciating assets, or
- disposal of capital assets.

In these cases, the losses are integrated into or matched with the taxation treatment of the underlying asset.

In some circumstances, you may make an election that affects the realisation or treatment of a forex loss. You can find more information about the forex measures and how to calculate your forex losses at **Foreign exchange gains and losses**.

Debt deductions

At this section, you may claim 'debt deductions' incurred in earning assessable income (for example, foreign source income that has been included at **Other foreign income** on your tax return), if you have not claimed them elsewhere on your tax return.

A 'debt deduction' is, broadly, an expense incurred in obtaining or maintaining a loan or other form of debt finance. Examples include:

- interest
- establishment fees

- legal costs for preparing loan documents
- fees charged by lending institutions for drawing on a loan facility.

If you were an Australian resident, you can claim debt deductions incurred in earning certain types of foreign non-assessable non-exempt income that were:

- payments out of attributed controlled foreign company income
- attributed foreign investment fund income.

You are not allowed to claim debt deductions disallowed under the thin capitalisation rules. Thin capitalisation rules may apply if:

- you were an Australian resident and you (or any associate entities) had certain overseas interests and your debt deductions combined with those of your associate entities were more than \$2 million for 2019–20, or
- you were a foreign resident with operations or investments in Australia and your debt deductions against Australian assessable income combined with those of your associate entities were more than \$2 million for 2019–20.

You can find more information at **Thin capitalisation**.

Special rules apply to deductions for expenses incurred in borrowing money used for producing assessable income. Examples of such expenses include establishment fees and legal costs for preparing loan documents. Interest expenses are not subject to these rules and are deductible in the year in which you incur them.

If the total of these expenses you incurred in 2019–20 is more than \$100 you have to deduct the expenses over the shorter of the following periods:

- the life of the loan, or
- five years from the date you first borrowed the money.

If the total of these expenses you incurred in the 2019–20 income year is \$100 or less, you can deduct them immediately.

Section 40-880 deductions

This section allows you to claim a deduction for certain business-related capital expenditure over five income years or immediately in

case of some start-up expenses.

Expenditure deductible over five income years

Claim a section 40-880 deduction at this section if:

- you incurred the relevant capital expense, and
 - the expenditure relates to a business that was proposed at the time the expense was incurred
 - the business commenced by 30 June 2020, and
 - you are carrying on the business through a company or trust, or

- you incurred the relevant capital expense and the expenditure relates to a business which ceased in a previous income year and you carried on the business through a company or trust.

If you incurred relevant section 40-880 expenses in relation to a business which ceased in a previous income year and you carried on the business as a sole trader or through a partnership, claim the amount at **Business income or losses**.

Certain start-up expenses

From 1 July 2015, section 40-880 of the ITAA 1997 allows a taxpayer who is not in business, or who is a small business entity, to immediately deduct certain start-up expenses relating to the structure or operation of a business that is proposed to be carried on.

Expenditure is fully deductible in the income year in which it is incurred if it:

- is incurred by you and you are a small business entity or you were not in business during the income year, and
- relates to a business that is proposed to be carried on, and is either
 - incurred for advice or services relating to the structure or operation of the business, or
 - paid to an Australian government agency in relation to setting up the business or establishing its operating structure.

Your deduction for this amount will be deferred until the year in which the business activity commences if both the following apply:

- if you incurred relevant section 40-880 expenses that do not qualify for immediate deduction
- you had not commenced the business by 30 June 2020.

The deferred amount may be deducted in the income year in which the activity commences.

For more information about section 40-880 deductions, see [Guide to depreciating assets](#).

Net personal services income loss of a personal services entity that related to your personal services income

There are special rules for the income tax treatment of certain personal services income. Personal services income (PSI) is income that is mainly a reward for your personal efforts or skills and is generally paid to you or to a personal services entity (being a company, partnership or trust).

You can claim a deduction for the PSI loss where:

- the payment was made to a personal services entity, and
- that entity incurred a PSI loss relating to your PSI.

For more information about PSI deductions, see [What to do when the PSI rules apply](#).

If you need help with these rules, phone us on **13 28 66**.

Self-education expenses related to satisfying the study requirements of a taxable scholarship

You may claim at this section expenses you incurred in meeting the study requirements of a taxable scholarship. However do not claim these expenses here if you were an employee of the provider; claim them at [Work-related self-education expenses](#).

Examples of expenses you can claim are:

- textbooks
- stationery
- student union fees
- student services and amenities fees

- decline in value of your computer
- certain course fees.

You can't claim a deduction for travel from your home to your normal place of education and back.

QC 62389

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If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

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