Deductions

How to complete deductions sections of your tax return using myTax.

Claiming deductions

How to claim deductions in your return using myTax.

Work-related expenses

How to complete myTax if you have work-related expenses.

Deductions for donations, investments and managing you tax

How to complete myTax if you have gifts, donations, interest, dividends and managing your tax affairs deductions.

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How to complete myTax if you have other deductions.

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myTax 2023 Claiming deductions

How to claim deductions in your return using myTax.

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Things to know

You may be able to claim deductions for work-related expenses you incurred while performing your job as an employee.

You **incurred** an expense in 2022–23 if you either:

- received a bill or invoice for an expense that you were liable for (even if you paid it after 30 June 2023)
- didn't receive a bill or invoice but you were charged and you paid for the expense.

These expenses include:

- car expenses, including fuel costs and maintenance
- travel costs
- clothing expenses
- education expenses
- union fees
- home computer and phone expenses
- tools and equipment expenses
- journals and trade magazines.

The **Employees guide for work expenses** will help you as an employee to decide whether your expenses are deductible, and what records you need to keep to substantiate them.

You may also be able to claim some deductions which are not work related. They are:

- interest and dividend deductions for investments
- deductions for gifts and donations
- a deduction for the cost of managing your tax affairs.

For more information, see

- Taxation Ruling TR 97/7 *Income tax: section 8-1 – meaning of 'incurred' – timing of deductions*.
- Taxation Ruling TR 2020/1 *Income tax: employees: deductions for work expenses under section 8-1 of the Income Tax Assessment Act 1997*.

Related page

Deductions you can claim
When completing your tax return, you're able to claim deductions for some expenses. Most are costs you incur to earn your employment income.

Goods and services tax

If your expense includes an amount of goods and services tax (GST), the GST is part of the total expense and is therefore part of any deduction. For example, if you incurred union fees of $440 which included $40 GST, you claim a deduction for $440.

Foreign employment

If you received a *PAYG payment summary – foreign employment* or have foreign employment payment information shown on an income statement, then you claim deductions that you are entitled to claim in respect of that income at work-related expenses and low value pool deductions in the **Deductions** section, as relevant.

All foreign deductions must be converted to Australian dollars before you complete this section. For more information on how to convert your foreign deductions see Foreign income conversion calculator or you can contact us to get information about the exchange rates.

Basic rules

You must have incurred the expense in 2022–23.

To claim a deduction for a work-related expense:

- you must have spent the money yourself and weren't reimbursed
- it must be directly related to earning your income
- you must have a record to prove it (usually a receipt).

The expense must not be private, domestic or capital in nature. For example, the costs of normal travel to and from work, and buying lunch each day are private expenses.

If you incurred an expense:

- that was both work-related and private or domestic in nature, you can claim a deduction only for the work-related portion of the expense.
- that was capital in nature you may be able to claim a deduction for the decline in value of the depreciating asset you acquired.
- for services paid in advance, you need to work out what part of the expense is deductible in 2022–23.

You can't claim a deduction for an expense if any of the following applied:

- someone else paid the expense
- you were, or will be reimbursed for the expense
- the payment or reimbursement is a fringe benefit (including an exempt benefit).

If you were partially reimbursed for the expense, you can only claim the part that was not reimbursed.

Record keeping for work-related expenses

You must be able to **substantiate your claims** for deductions with written evidence if the total amount of deductions you are claiming is greater than $300.

- The records you keep must prove the total amount, not just the amount over $300.

- The $300 does not include car and meal allowance, award transport payments allowance and travel allowance expenses. There are special written evidence rules for these claims which are explained at the relevant sections.

If the total amount you are claiming is $300 or less, you need to be able to show how you worked out your claims, but you do not need written evidence.

Advance expenditure

If you have prepaid an amount for a service costing $1,000 or more, and the service extends for a period of more than 12 months or beyond 30 June 2024 (such as a subscription to a journal relating to your profession), then you can claim only the portion that relates to 2022–23. You can also claim the proportion of your pre-paid expenses from a previous income year that relate to 2022–23.

Related page

Deductions for prepaid expenses
Information to help you work out deductions you can claim for expenses you incur for things to be done in a later income year.

Allowances

If an allowance you received is shown on your tax return (in your income statement or payment summary details), you can claim a deduction for your expenses covered by the allowance but only if you:

- actually incurred the expenses in producing your employment income
- meet the basic rules discussed above.

For example, if you received a tools allowance of $500 and your tool expenses were $300:

- the whole allowance of $500 is included with your income statement or payment summary details on your tax return
- you claim a deduction of $300 at **Other work-related expenses**.

Decline in value of a depreciating asset

You may be able to claim a deduction for the decline in value of a **depreciating asset** which you held during 2022–23 if you used it to produce income that you show on your tax return.

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. Depreciating assets include items such as tools, reference books, computers and office furniture.

The decline in value of a depreciating asset is worked out based on its effective life. You can either make your own estimate of its effective life or use the Commissioner's effective life determinations. For assistance with both, see **Taxation Ruling TR 2022/1** *Income tax: effective life of depreciating assets (applicable from 1 July 2022)*.

You may be able to claim an immediate deduction for the full cost of depreciating assets costing $300 or less provided certain conditions are met.

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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.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.