Deductions you can claim

Find out which expenses you can claim as income tax deductions and work out the amount to claim.

Claiming deductions

How to claim income tax deductions for work-related expenses and other expenses, and record your deductions.

Work-related deductions

Deductions you can claim for expenses that directly relate to earning your employment income.

Memberships, accreditations, fees and commissions

Deductions for union fees, professional memberships, working with children check, agency fees and commissions.

Meals, entertainment and functions

Deductions for meals, snacks, overtime meals, entertainment and functions.

Gifts and donations

Deductions for gifts or donations you make to deductible gift recipients, and the records you need.

Investments, insurance and super

Learn about deductions for investments, insurance, personal super contributions, foreign pensions and financial advice.

Cost of managing tax affairs

Deductions you can claim for expenses to manage your tax affairs, such as lodging with a registered agent.

Occupation and industry specific guides

Income and allowances to declare and the expenses you can claim a deduction for in your occupation or industry.

QC 72119

Claiming deductions

How to claim income tax deductions for work-related expenses and other expenses, and record your deductions.

Last updated 20 May 2025

Standard deduction for work-related expenses

The proposed $1,000 standard tax deduction for work-related expenses (also called the $1,000 instant tax deduction) applies from 2026–27. It is not yet law and does not apply to Tax Time 2026.

How tax deductions work

You can claim some of your expenses as deductions in your tax return.

The expenses you can claim are mostly related to earning your income, but there are a few (such as donations) that aren't related to earning income.

Deductions reduce your taxable income.

It works like this:

> your assessable income (money you earn from work or investments)
>
> *minus* your allowable deductions (such as costs you incur to earn your income)
>
> *equals* your taxable income (the amount you actually pay tax on).

Work-related expenses

To claim a deduction for a work-related expense:

- you must spend the money yourself and not get a reimbursement
- the expense must directly relate to earning your income
- you must have a record to prove it (usually a receipt).

You claim these deductions in your tax return at the sections about work-related expenses. For instructions, see How to lodge your tax return.

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 the expense is incurred for both work and private purposes, you must apportion your deduction. You can only claim a deduction for the work-related use.

You can't claim a deduction if your employer pays for the expense or reimburses you for it. If we think your employer may reimburse you for an expense, we may check with them.

Expense directly relates to income

You may be able to claim deductions for work-related expenses you incur in the course of your employment duties or while performing your work duties as an employee. There must be a close connection between the expense and what you do for work.

Just because your employer asks you to buy something for work, it doesn’t mean you can automatically claim it as a deduction.

Each expense may have different criteria for working out if it directly relates to your income.

For more information, see Deductions you can claim to help you as an employee to decide:

- whether your expenses are deductible
- what written evidence and other records you need to keep to show you incurred the expense and how you work out your claim.

Recording and claiming your expenses

When you claim a deduction you need to keep records that show you incurred the expense.

You can use the myDeductions tool in the ATO app to help keep track of your:

- work-related expenses (such as vehicle trips)
- general expenses (such as gifts and donations).

You can upload these records when lodging online with myTax or share them with a registered tax agent at tax time to make lodging your tax return easier.

Other expenses you can claim

There are a few expenses you can claim as a deduction even though they don't relate to your work.

These include:

- gifts and donations
- expenses related to earning income from investments

- personal super contributions
- income protection insurance
- the cost of managing your tax affairs.

You claim these in your tax return at the specific expense category (where available) or as an **Other deduction**. For instructions, see How to lodge your tax return.

For more information on these expenses, see Deductions you can claim.

Deductions in your occupation or industry

Our occupation and industry specific guides have information about income, allowances and deductions you may be eligible to claim. These guides are tailored to your occupation or industry.

Information in other languages

A summary of common expenses may be available in your language:

1. Select your language from the other languages' homepage.
2. Select the heading **Individuals**.
3. Check the list to see if a summary is available.

QC 72120

Gifts and donations

Deductions for gifts or donations you make to deductible gift recipients, and the records you need.

Last updated 8 June 2026

For a summary of this content in poster format, see Gifts and Donations (PDF, 250KB).

When a gift or donation is deductible

To claim a deduction for a gift or donation you've made, it must:

- be made to an organisation that has deductible gift recipient (DGR) status
- truly be a gift or donation – meaning, you voluntarily transfer money or property without receiving, or expecting to receive any material benefit or advantage in return
- be money or property, including financial assets, such as shares
- comply with any relevant gift conditions – for some DGRs, the income tax law adds conditions affecting the types of deductible gifts they can receive.

To claim a deduction, you must have a record of your donation such as a receipt.

If you receive a material benefit in return for your gift or donation to a DGR – for example, you purchase a ticket to a fundraising dinner – it's considered a contribution and extra conditions apply.

Check it's a deductible gift recipient

A DGR is an organisation or fund that is endorsed by us or listed by name in the tax law to receive tax deductible gifts or donations.

You can **only** claim a deduction for gifts or donations made to an organisation with DGR status.

Check the DGR status of an organisation before claiming a deduction. You can do this at ABN Look-up: Deductible gift recipients.

If the organisation shows:

- not entitled – you can’t claim a tax deduction
- a status of **endorsed** or **listed** – you can claim a tax deduction.

Not all charities are DGRs. For example, crowdfunding campaigns are a popular way to raise money for charitable causes. However, many of these crowdfunding websites are not run by DGRs. Donations to these campaigns and platforms aren't deductible.

Gifts and donations you can claim

To be deductible, your gift or donation must be a certain type of gift and the amount you can claim as a deduction to a DGR registered organisation depends on the type of gift you make.

The types of gifts you can make are:

- gifts of money – you can claim the amount of the gift, but it must be $2 or more
- gifts of property or shares – there are different rules depending on the type and value of the property – see Gift types, requirements and valuation rules
- gifts under the Heritage and Cultural programs – there are special circumstances where donations can also be deductible, see
  - Donating under the Cultural Gifts Program
  - Heritage gifts
  - Conservation covenant tax concessions.

If you receive a token item for your donation you can still claim a deduction. Token items are things of no material value that are used to promote the DGR, such as lapel pins, wristbands and stickers.

You claim the deduction for your gift in the income year you give it. In some circumstances you may elect to spread the tax deduction over a period of up to 5 income years.

DGRs sometimes authorise a business (third party) to collect donations on their behalf. For example, a supermarket may be authorised to accept a donation at the register that they then send onto the DGR. You can claim a deduction for a gift or donation you make in this way, if:

- it meets the conditions above
- you have a receipt from the third party.

Bucket donations

If you made one or more small cash donations, each of $2 or more, to bucket collections – for example, to collections conducted by a DGR for natural disaster victims – you can claim a total tax deduction of up to $10 for those donations for the income year without a receipt.

To claim donations of more than $10, you need a receipt.

Political party and independent candidate donations

In some circumstances, you can claim a deduction for gifts and donations of $2 or more to registered political parties or independent candidates.

This includes paying a membership subscription to a registered political party.

You must have made the gift or donation as an individual (not in the course of carrying on a business) and it can't be a testamentary donation (a donation made in a will).

If the gift is property, the property must have been purchased within 12 months of making the donation.

The most you can claim in an income year is:

- $1,500 for contributions and gifts to political parties
- $1,500 for contributions and gifts to independent candidates and members.

To claim a deduction, you must have a written record of your donation.

For more information, see Claiming political contributions and gifts.

Spreading certain deductible gifts and donations over time

Deductions claimed for gifts and donations can't add to or create a tax loss. The deduction can reduce your assessable income to nil in the income year the gift or donation is made, but any excess can't be claimed in that year.

Before lodging your tax return, you can choose to spread the deduction over a period of up to 5 income years. You may choose to do this if you:

- aren't able to claim the whole amount in the current income year
- earn a greater amount of income in some income years than others.

You can choose to spread the deduction over a period of up to 5 income years if the gift was one of the following:

- money

- property we value at more than $5,000
- property under the Cultural Gifts Program
- a heritage gift.

For gifts of money or property valued by us at more than $5,000, you can use the Election to spread gift deduction form. The election must be made **before** lodging the tax return for the year the gift was made.

Example: a deductible gift can't add to or create a tax loss

Dominic donated a car valued by the ATO at $10,000 to a DGR in June 2026. His assessable income on his tax return for 2025–26 is $20,000 and he has no other deductions.

The deduction he can claim for his gift is limited to $1,800. This is because a deductible gift can't add to or create a tax loss.

Dominic's taxable income becomes nil and he can't carry forward the excess $8,200 from his gift to a later tax return as a tax loss.

If Dominic had completed an Election to spread gift deduction form **before** he lodged his tax return, he could claim the deduction over several years.

Gifts and donations you can't claim

You can't claim a deduction for gifts or donations made to any person or organisation without a current DGR status of endorsed or listed, or where the donation provides you with a personal benefit such as:

- social media or crowdfunding platforms
- religious organisations
- raffle or art union tickets – for example, an RSL Art Union prize home
- items that have an advertised price, such as chocolates, mugs, keyrings, hats or toys

- the cost of attending fundraising dinners – you may be eligible to claim a deduction as a contribution if the cost of the event was more than the minor benefit applied as part of the event
- club membership fees
- payments to school building funds made in return for a benefit or advantage – for example, as an alternative to an increase in school fees or placement on a waiting list
- payments where you have an understanding with the recipient that the payments will be used to provide a benefit to you
- gifts to family and friends, regardless of the reason
- donations made under a salary sacrifice arrangement
- donations made under a will.

Example: material benefits where a deduction can't be claimed

Robbie is an office worker. Each year his workplace gets involved in the Daffodil day appeal to raise money and awareness for the Cancer Council. Robbie buys a teddy bear toy on Daffodil Day at a cost of $30.

Robbie can’t claim a deduction for the cost of the toy as he has received a material benefit (the toy) in return for his contribution to the Cancer Council.

Example: gifts that aren't a deduction

Angela has elderly family living overseas. Each payday, she sends $100 to them through a money exchange.

As the gifts aren't made to an organisation with a current as deductible gift recipients (DGR) status, Angela can't claim a deduction.

Point of sales donations

Some businesses collect donations on behalf of other organisations when you pay for goods or services. For example, rounding up your total at a supermarket. If you do this, you should:

- know the name of the organisation funds are being collected for
- check the DGR status of the organisation before claiming the amount
- keep your receipt.

Workplace giving

If you give through a workplace giving program, your evidence can be from either:

- your income statement or payment summary
- a receipt from a third party or a written record from your employer.

For more information, see Keeping a record of your donation.

Pledges

If you make a pledge in writing, such as on a contribution envelope or a pledge form, to a fundraising body specifying the name of the DGR and the amount or percentage of the donation to apply to the DGR. You can claim a deduction for the amount of the actual gift you donated to the DGR.

The terms of an appeal may state the portion to apply to the DGR. You can claim a deduction for that portion of the gift.

Keeping records of gifts and donations

Keep records for all tax-deductible gifts and contributions you make, including:

- receipts for donations or contributions
- a signed letter from the eligible organisation confirming the amount of your donation or contribution.

If you receive a minor benefit (for example, a charity dinner) as a benefit for your contribution, the value of the benefit needs to be shown.

Most DGRs will issue you with a receipt for your donation, but not all DGRs are required to. If you don't have a receipt, you can still claim a deduction using other records, such as bank statements.

If a DGR does issue a receipt for a deductible gift, the receipt must state:

- the name of the fund, authority or institution the donation was made to
- the DGR's Australian business number (ABN) (some DGRs listed by name in tax law may not have an ABN)
- that it's for a gift.

Use the ATO app

You can use the myDeductions record-keeping tool in the ATO app to keep track of your expenses and receipts throughout the year. If you have an electronic copy of your receipts that are a true and clear reproduction of the original, you're not required to keep the original paper copy.

QC 72185

Cost of managing tax affairs

Deductions you can claim for expenses to manage your tax affairs, such as lodging with a registered agent.

Last updated 8 June 2026

What you can claim

You can claim a deduction for expenses you incur in managing your own tax affairs, such as the cost to lodge through a registered agent.

Costs you can claim for managing your own tax affairs include:

- costs associated with preparing and lodging your tax return and activity statements, for example
  - buying tax reference material

  - tax return preparation courses
  - lodging your tax return through a registered tax agent
  - getting tax advice from a recognised tax advisor
  - dealing with us about your tax affairs
  - buying software that allows you to prepare and lodge your tax return (you can only claim a portion of the cost if you also use the software for other purposes)
- travel costs to get tax advice, for example, the travel costs of attending a meeting with a recognised tax adviser
- litigation costs, including court and Administrative Review Tribunal (ART) fees (ART replaced the Administrative Appeals Tribunal from 14 October 2024), and solicitor, barrister and other legal costs
- the cost of a valuation for a deductible gift or donation of property, or for a deduction for entering into a conservation covenant
- an Interest charge we impose, if it was incurred prior to 1 July 2025
- some fees you incur when you pay your tax obligations by card, for example
  - credit and debit card fees for a business tax liability (for example, GST)
  - debit card fees when paying an individual tax liability (as of 1 January 2025, we no longer pass on debit card fees, but you can still claim a deduction where you paid this fee before this date)
- costs to comply with your legal obligations for another person's (or other entity's) tax affairs
- the portion of financial advice fee that assists you in managing your tax affairs (for example, advice about salary sacrifice).

What you can't claim

Costs you can't claim in managing your own tax affairs include:

- ATO Interest charges - General Interest Charge (GIC) and Shortfall Interest Charge (SIC) incurred on or after 1 July 2025 can't be claimed as a deduction.

- having someone prepare your tax advice who is not either
  - a tax agent registered with the Tax Practitioners Board
  - a qualified tax relevant provider registered with Australian Securities & Investments Commission (ASIC)
- financial advice fees that aren't in relation to managing your tax affairs (for example, factual information about a financial product that doesn't involve the application or interpretation of the tax laws to your personal circumstances or household budgeting)
- your personal tax debt or any interest on a loan you take out to pay your personal tax debt.

If you receive a single invoice for preparing your tax returns and the tax returns for associated people (such as a spouse), you need to split the fees you incur. You must also:

- be able to show how you work out the cost for each
- keep records as evidence to support the deduction you claim.

You generally incur the fees in the income year you pay them.

Interest charged by the ATO

You can no longer claim a deduction for interest we charge.

QC 72191

Interest charged by the ATO

You can no longer claim a deduction for interest we charge.

Last updated 8 June 2026

Interest we charge

We charge interest in specific situations, including:

- late payment of taxes and penalties
- an increase in your tax liability as a result of an amendment to your assessment
- an increase in other tax liabilities, such as goods and services tax or pay as you go amounts.

The interest we charge includes:

- general interest charge (GIC)
- shortfall interest charge (SIC).

What you can't claim

Any GIC or SIC incurred on or after 1 July 2025 can't be claimed as a deduction.

Interest charged before 1 July 2025

GIC and SIC incurred before 1 July 2025 can be claimed as a deduction in your tax return for the income year in which it is incurred.

You can claim GIC or SIC incurred before 1 July 2025 as a deduction at **Cost of managing tax affairs – Interest charged by the ATO** in your tax return.

If you claim a deduction for GIC or SIC incurred before 1 July 2025 and then we later remit the GIC or SIC, you must report the remitted amount as interest income. This should be included in your tax return for the income year the remission was granted.

The amount of interest you have been charged is normally pre-filled on your tax return. However, if you need to work out how much you have been charged, see Calculate and report ATO interest.

QC 72192

Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

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.

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