



Supporting information

Information to help you complete your paper tax return or tax return supplement.

Amounts that you do not pay tax on 2023

Information about those amounts that you do not pay tax on.

Special circumstances and glossary 2023

Special circumstances affecting how your tax is calculated and a glossary of terms used in the tax return instructions.

Car and travel expenses 2023

You may be able to claim deductions for work-related car expenses and work-related travel expenses.

Claiming deductions 2023

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

Rebate income 2023

Work out your rebate income and if you're eligible for the seniors and pensioners tax offset at question T1.

Referred publications 2023



Use these publications to help you understand your tax obligations and prepare your 2023 tax return.

Checklist – tax return 2023



Complete the tax return checklist to avoid any delays when you lodge your paper tax return.

Checklist – supplement 2023



Complete the supplementary checklist to make sure you have completed your supplementary tax return before lodgment.

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Amounts that you do not pay tax on 2023

Information about those amounts that you do not pay tax on.

Last updated 25 May 2023

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Things you need to know

You might have received amounts that you do not need to include as income on your tax return. We classify them into 3 different categories:

- [exempt income](#)
- [non-assessable non-exempt income](#)
- [other amounts](#) that are not taxable and do not affect any calculation on your tax return.

The most common types of exempt income, non-assessable non-exempt income and other amounts that are generally not taxable are listed below. If you are not sure whether a payment you have received is exempt income, non-assessable non-exempt income or is another non-taxable amount, contact us.

Exempt income

Exempt Australian Government pensions, allowances and payments

- Carer adjustment payment (CAP)
- Carer payment where
 - both the carer and the care receiver are under age-pension age, or
 - the carer is under age-pension age and any of the care receivers has died
- Defence Force income support allowance (DFISA) payable to you on a day when the whole of your social security pension or benefit, which is also payable to you on that day, is exempt from income tax under section 52-10 and subsection 52-65(4) of the *Income Tax Assessment Act 1997*
- Disability support pension paid by Centrelink to a person who is under age-pension age
- Double orphan pension
- Invalidity service pension paid under the *Veterans' Entitlements Act 1986* where the veteran is under age-pension age
- Partner service pension where either

- the partner (excluding the non-illness separated spouse of a veteran) and the veteran are under age-pension age and the veteran receives an invalidity service pension, or
 - the partner is under age-pension age and the veteran has died and was receiving an invalidity service pension at the time of death
- Veterans' Affairs disability pension and allowances, war widows and war widowers pension.

For the meaning of age-pension age, see [Special circumstances and glossary 2023](#).

Lump sum bereavement payments received as part of any of the payments in the previous list are exempt only up to the tax-free amount. [Contact us](#) to find out how much of your payment is exempt.

Exempt Australian Government education payments

- Allowances for students under 16 years old, including those allowances paid under ABSTUDY, the Assistance for Isolated Children Scheme and the Veterans' Children Education Scheme
- Australian-American Educational Foundation (Fulbright Commission) grant
- Commonwealth scholarships or bursaries provided to foreign students
- Commonwealth secondary education assistance
- Endeavour awards research fellowships or an Endeavour Executive Award
- Language, literacy and numeracy supplement
- Payments under the Military Rehabilitation and Compensation Act Education and Training Scheme for eligible young persons whose eligibility was determined under
 - paragraph 258(1)(a) of the *Military Rehabilitation and Compensation Act 2004* and the eligible young person was under 16 years old, or

- paragraph 258(1)(b) of the *Military Rehabilitation and Compensation Act 2004*
- Pensioner education supplement and fares allowance paid by Centrelink
- Rent assistance paid to Austudy recipients
- Some scholarships and bursaries received by full-time students
- Supplementary allowances for students paid under the Assistance for Isolated Children Scheme
- The first \$1,000 of an apprenticeship early completion bonus provided under a specified state or territory scheme for occupations with skill shortages

Other exempt Australian Government payments

- Acute support packages for veterans and their families
- Allowances you received as a volunteer in the Australian government funded Australian Volunteers Program
- Amounts you received directly, or which are paid to a person on your behalf, under the National Disability Insurance Scheme for approved reasonable and necessary supports funded under your plan
- Australian Government Disaster Recovery Payment
- Back to school bonus and single income family bonus paid under the *A New Tax System (Family Assistance) (Administration) Act 1999*
- Carer allowance paid under the *Social Security Act 1991*
- Child care subsidy
- Additional child care subsidy
- Child disability assistance under Part 2.19AA of the *Social Security Act 1991*
- DFISA bonus and DFISA bonus bereavement payment under Part VIIAB of the *Veterans' Entitlements Act 1986*
- Economic support payments

- Education entry payment supplement under the *Social Security Act 1991*
- Energy supplement paid under Part 2.25B of the *Social Security Act 1991* or Part VIIAD of the *Veterans' Entitlements Act 1986*
- Family tax benefit
- Household Assistance Package payments which include
 - Clean Energy Advance
 - Energy Supplement payments
 - Essential Medical Equipment payment
 - Single Income Family Supplement
- Loss of earnings allowance paid under the *Veterans' Entitlements Act 1986*
- Lump sum payment made under section 198N of the *Veterans' Entitlements Act 1986*
- Mobility allowance paid under the *Social Security Act 1991*
- Outer Regional and Remote (OR&R) payment made under the Better Start for Children with Disability initiative
- Outer Regional and Remote (OR&R) payment made under the Helping Children with Autism package
- Payment from the Thalidomide Australia Fixed Trust
- Payment for travelling expenses under Part 3 of the *Treatment Benefits (Special Access) Act 2019*
- Payment of pharmaceutical supplement made under Part 4 of the *Treatment Benefits (Special Access) Act 2019*
- Payments from the Commonwealth to Thalidomide survivors under the Support for Australia's Thalidomide Survivors program
- Payments from the National Indigenous Australians Agency under the Territories Stolen Generations Redress Scheme
- Pension bonus and pension bonus bereavement payments under Part 2.2A of the *Social Security Act 1991* or Part IIIAB of the *Veterans' Entitlements Act 1986*

- Pharmaceutical allowances paid under the *Social Security Act 1991*
- Phone allowance paid under the *Social Security Act 1991*
- Prisoner of War Recognition Supplement payment under Part VIB of the *Veterans' Entitlements Act 1986*
- Quarterly pension supplement paid under the *Social Security Act 1991* or the *Veterans' Entitlements Act 1986*
- Remote area allowance
- Rent assistance
- Stillborn baby payment paid by Centrelink
- The ex-gratia payment from the Australian Government, known as the Disaster Recovery Allowance for special category visa (subclass 444) holders for a disaster
 - that occurred in Australia during 2014–15 and future years, and
 - for which a determination under section 1061L of the *Social Security Act 1991* has been made
- The one-off cost of living payment of \$250 to eligible recipients under the *Social Security Act 1991*.
- Utilities allowance paid under the *Social Security Act 1991*
- Veteran's supplement paid under the *Veterans' Entitlements Act 1986*

Exempt Australian Defence Force and United Nations payments

- Certain pay and allowances for Australian Defence Force personnel (your employer will advise you if an amount is exempt)
- Compensation payments under the *Safety, Rehabilitation and Compensation Act 1988* for impairment or incapacity resulting from service with a United Nations armed force in an operation area described in Schedule 2 of the *Veterans' Entitlement Act 1986*
- Compensation payments made under the *Military Rehabilitation and Compensation Act 2004*, except those that are income-related payments

- F-111 deseal/reseal ex-gratia lump sum payments
- Pay and allowances for part-time service in the Australian Naval, Army or Air Force Reserve
- Payments in relation to a recommendation by the Defence Force Ombudsman for abuse by a member of Defence
- Some allowances paid to Australian Defence Force personnel who served in prescribed overseas areas (your employer will advise you if an allowance is exempt)


Other exempt payments

- Certain amounts of interest paid by the Commonwealth on unclaimed money and property
- Certain annuities and lump sums which are paid to an injured person under a structured settlement
- Certain distributions from a pooled development fund
- Certain distributions from an early stage venture capital limited partnership
- Certain payments relating to persecution during the Second World War
- Certain profits or gains from disposal of shares in a pooled development fund
- Japanese internment compensation payments made under the *Compensation (Japanese Internment) Act 2001* or the *Veterans' Entitlements Act 1986*
- Your share of certain profits or gains arising from disposal of investments by a venture capital limited partnership (VCLP), an early stage venture capital limited partnership (ESVCLP) or an Australian venture capital fund of funds (AFOF)

Non-assessable non-exempt income

The most common types of non-assessable non-exempt income are:

- superannuation lump sum death benefits received by
 - a dependant, or

- someone who is not a dependant but received the benefit because of the death of a member of the Australian Defence Force or an Australian police force (including Australian Protective Services) who died in the line of duty
- tax-free superannuation lump sum benefits paid to a person with a terminal medical condition existing at the time when the lump sum was received or within 90 days after its receipt
- amounts on which family trust distribution tax has been paid (see **question A5** in *Individual tax return instructions supplement 2023*)
- genuine redundancy payments and early retirement scheme payments shown as 'Lump sum D' amounts on your income statement or payment summary
- government super contributions
- National Rental Affordability Scheme payments or non-cash benefits paid (whether directly or indirectly, such as through an NRAS consortium of which you are a member) by a state or territory government or a relevant body established under a state or territory law
- payments by a state or territory relating to the 2019–20 bushfires under the [Disaster Recovery Funding Arrangements 2018](#) 
- special disaster recovery grants paid as a result of the storms and floods that occurred between 19 February 2021 and 31 March 2021
- that part of the taxable component of a death benefit employment termination payment (ETP) below the 2022–23 cap of \$230,000 paid to a dependant
- the taxed element of a death benefit superannuation income stream paid from an account-based pension to a death benefit dependant where
 - the deceased was 60 years old or older at the time of their death, or
 - the recipient was 60 years old or older when they received the benefit

- the taxed element of a superannuation income stream or lump sum paid from an account-based pension received by a person 60 years old or older
- the tax-free component of a superannuation benefit paid from an account-based pension
- the tax-free component of an ETP

Tax-free income for temporary residents

If you are a temporary resident, your foreign income is non-assessable non-exempt income except for income you earn from your employment overseas while you are a temporary resident which may be taxable.

You are a temporary resident if:

- you hold a temporary visa granted under the *Migration Act 1958*
- you are not an Australian resident within the meaning of the *Social Security Act 1991*, and
- your spouse (if you have one) is not an Australian resident within the meaning of the *Social Security Act 1991*.

If on 6 April 2006, or at any time since, you were an Australian resident for tax purposes but not a temporary resident, you are not entitled to the **temporary resident exemptions** from that time, even if you later held a temporary visa.

Other amounts that you do not pay tax on

You do not pay tax on most child support and spouse maintenance payments.

There are other amounts that are generally not taxed, such as lottery winnings and inheritances.

For more information, see **Amounts you do not include as income**.

Special circumstances and glossary 2023

Special circumstances affecting how your tax is calculated and a glossary of terms used in the tax return instructions.

Last updated 25 May 2023

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[Special circumstances](#)

[Glossary](#)

Special circumstances

Non-resident withholding tax

Gross interest (question 10)

If you were a foreign resident, include at question **10** any interest that you received in 2022–23 while you were an Australian resident.

Do not include at question **10** any interest paid or credited to you when you were a foreign resident if withholding tax was deducted.

If withholding tax was not deducted, on a separate piece of paper:

- print **Schedule of additional information – question 10**
- print your name, address and tax file number
- provide details of amounts of interest you received while you were a foreign resident if withholding tax was not deducted.

Attach your schedule to page 3 of your tax return. Print **X** in the **Yes** box at **Taxpayers' declaration** question **2** on page 10 of your tax return.

We will advise you of the amount of withholding tax you have to pay on this interest.

Dividends (question 11)

Do not include at question **11** any dividend income paid or credited to you during the period you were a foreign resident, if:

- the dividend was fully franked, or
- the dividend was not fully franked, but either
 - the dividend statement shows the unfranked amount to be conduit foreign income, or
 - withholding tax was (or should have been) withheld from the unfranked amount.

You need to provide details of any dividend:

- that was paid or credited to you during any period you were a foreign resident
- that was not fully franked and was not declared to be conduit foreign income, and
- on which you have not paid withholding tax.

On a separate piece of paper:

- print **Schedule of additional information – question 11**
- print your name, address and tax file number
- provide details of the dividend.

Attach your schedule to page 3 of your tax return. Print **X** in the **Yes** box at **Taxpayers' declaration** question **2** on page 10 of your tax return.

We will work out the amount of withholding tax you have to pay on the dividends, and advise you of the amount.

Foreign employment termination payments (question 4)

An employment termination payment (ETP) that you received due to termination of your employment overseas is a foreign employment termination payment (foreign ETP):

- where you were an Australian resident for the period of your employment
- where the payment was exempt from income tax under that country's laws, and

- whether or not your foreign employer has an Australian business number (ABN) or has given you a *PAYG payment summary – employment termination payment*.

A foreign ETP is different from a [foreign termination payment \(FTP\)](#).

Instructions for foreign ETPs

You need to convert your foreign ETPs into Australian dollars before you can complete question **4**. For information about exchange rates and how to convert foreign payments, go to [Foreign exchange rates](#) or [contact us](#).

- Then on a separate piece of paper
 - print **Schedule of additional information – question 4**
 - print your name, address and tax file number
 - for each foreign ETP, print the name of the payer and the foreign country in which you were employed, and write the amount of the payment
 - for each foreign ETP, print the appropriate code letter (from those listed at step 4 in question **4 Employment termination payments 2023**). You must provide a valid code for each payment.
- Attach your schedule to page 3 of your tax return.
- Print **X** in the **Yes** box at **Taxpayers' declaration** question **2** on page 10 of your tax return.

You will need to include the total amount of these foreign ETPs in the amount you show at question **4** – label **I** in your tax return.

Go to step 1 in question **4 Employment termination payments 2023**.

Dividends and franking credits (questions 11 and D8)

Dividend washing integrity rule

The dividend washing integrity rule prevents you from claiming franking credits where you have received a dividend as a result of dividend washing.

Dividend washing occurs where you, or an entity connected to you, claim 2 sets of franking credits by:

- selling shares that are held on the Australian Securities Exchange (ASX) and have become 'ex-dividend', and then
- purchasing some substantially identical shares using a special ASX trading market.

When the dividend washing integrity rule applies, you are not entitled to claim the franking credits for the second dividend. However, if your interest in the second parcel of shares exceeds the interest in the first parcel, you may be entitled to claim a portion of the franking credits for the additional shares. For more information, see [Dividend washing rule](#).

The dividend washing integrity rule does not apply if:

- you are an individual, and
- you received no more than \$5,000 in franking credits during 2022–23.

However, the dividend washing integrity rule applies where dividends flow indirectly to you through your interest in a trust or partnership.

If you are claiming franking credits at item **11**, certain rules apply. Read the following to check that you are entitled to claim the credits.

You must be a 'qualified person' to be entitled to a franking credit in respect of a dividend. To be a qualified person you must satisfy the holding period rule and the related payments rule.

Holding period rule

To be able to claim the franking credits the **holding period rule** requires you to hold shares 'at risk' for at least 45 days (90 days for certain preference shares).

When working out the number of days you held the shares at risk, do not count the day on which you acquired the shares and the day on which you disposed of the shares (or you entered into an arrangement to reduce the risk of making a loss on them).

This rule applies generally to shares bought on or after 1 July 1997.

Even if you did not hold the shares at risk for the required period, you may still be entitled to claim the franking credits if:

- your total direct and indirect franking credit entitlement for 2022–23, including any entitlement you may have had through a trust or partnership, was not above \$5,000 (the small shareholder exemption), and
- the [related payments rule](#) did not apply to you.

In determining whether the holding period rule is satisfied for the prescribed minimum period, no account is taken of any days on which you entered into an arrangement to materially reduce the risk of making a loss on your shares, such as through derivatives, hedges, options and futures.

If you do not satisfy the holding period rule, include the franked amount of the dividend at question **11** – label **T**. Do not include any franking credit amount at question **11** – label **U** for that dividend.

Related payments rule

The related payments rule applies to arrangements entered into after 7:30 pm (Australian Eastern Standard Time) on 13 May 1997. Broadly, it applies to you if you effectively had no interest in a dividend because you were under an obligation to make, or were likely to make, a related payment to another party for the dividend and you did not hold your shares 'at risk' for at least 45 days (90 days for certain preference shares).

When working out the number of days you held the shares 'at risk', do not count the day on which you acquired the shares and the day on which you disposed of the shares (or you entered into an arrangement to reduce the risk of making a loss on them).

A related payment includes you, or your associate, doing something under an arrangement that has the effect of passing the benefit of the dividend to someone else.

If either the holding period rule or related payments rule is likely to affect you, see *You and your shares 2023*.

Australian superannuation lump sum payments (question 8)

Tables 1A to 2C set out the maximum tax rates that apply to superannuation lump sum payments made by complying superannuation funds. The Medicare levy is additional where

applicable. You may find this useful in completing questions **8, M1** and **M2**.

Any lump sum in arrears amounts must be included in your assessable income regardless of the period the income stream payment relates to.

Tables 1A and 1B: Death benefit

Table 1A: Death benefit paid to death benefits dependant (of any age)

Element	Amount	Tax rate
Tax-free component	Whole	Tax free
Taxed element	Whole	Tax free
Untaxed element	Whole	Tax free

Table 1B: Death benefit paid to non-death benefits dependant (of any age)

Element	Amount	Tax rate
Tax-free component	Whole	Tax free
Taxed element	Whole	15%
Untaxed element	Whole	30%

Tables 2A to 2C: Superannuation lump sum (other than death benefit)

Table 2A: Under the preservation age at the time of payment

Element	Amount	Tax rate
Tax-free component	Whole	Tax free

Taxed element	Whole	20%
Untaxed element	Up to the untaxed-plan cap amount, \$1,650,000 (see Note 1)	30%
Untaxed element	Over the untaxed-plan cap amount, \$1,650,000 (see Note 1)	45%

Table 2B: Preservation age to 59 years of age at the time of payment

Element	Amount	Tax rate
Tax-free component	Whole	Tax free
Taxed element	Up to the low-rate cap amount, \$230,000 (see Note 2)	Tax free
Taxed element	Over the low-rate cap amount, \$230,000 (see Note 2)	15%
Untaxed element	Up to the low-rate cap amount, \$230,000 (see Note 2)	15%
Untaxed element	Over the low-rate cap amount, \$230,000 (see Note 2) and up to the untaxed-plan cap amount, \$1,650,000 (see Note 1)	30%
Untaxed element	Over the untaxed-plan cap amount, \$1,650,000 (see Note 1)	45%

Table 2C: 60 years of age or older at the time of payment

Element	Amount	Tax rate
Tax-free component	Whole	Tax free

Taxed element	Whole	Tax free
Untaxed element	Up to the untaxed-plan cap amount, \$1,650,000 (see Note 1)	15%
Untaxed element	Over the untaxed-plan cap amount, \$1,650,000 (see Note 1)	45%

Note 1: For 2022–23, the untaxed-plan cap amount is a maximum of \$1.650 million, but it could be less for you if you have previously received another superannuation lump sum with an untaxed element from the same superannuation fund. For more information on how we work out your untaxed-plan cap amount, see [How tax applies to your super](#).

Note 2: For 2022–23, the low-rate cap amount is a maximum of \$230,000, but it could be less if you received any superannuation lump sums in a prior income year that counted towards your entitlement to a superannuation lump sum tax offset or, if before July 2007, you received an eligible termination payment after your 55th birthday. For more information on how we work out your low-rate cap amount, see [How tax applies to your super](#).

See [Glossary](#) about the low-rate cap amount and untaxed-plan cap amount.

Leased luxury cars (question D1)

If you leased a luxury car and want to claim a deduction at question **D1** or **D2**, the following information about luxury cars will help you.

A leased luxury car is a leased car that at the time the lease began had a market value of more than the 'car limit' that applied in the relevant income year.

You can claim a deduction for the decline in value of a leased luxury car (but not for other leased cars). The car can be new or second-hand. You must use the logbook method. For more information on the logbook method, read question **D1**.

When claiming a deduction for decline in value, the initial value that you use for the car is the limit that applied in the income year in which the lease began. The car limit for 2022–23 is \$64,741.

Table 3: Car limits for the past 10 years

Year	Limit
2022-23	\$64,741
2021-22	\$60,733
2020-21	\$59,136
2019-20	\$57,581
2018-19	\$57,581
2017-18	\$57,581
2016-17	\$57,581
2015-16	\$57,466
2014-15	\$57,466
2013-14	\$57,466
2012-13	\$57,466
2011-12	\$57,466
2010-11	\$57,466

Work-related travel expenses (question D2)

Tables 4 and **5** outline the evidence you need to keep to claim overnight travel expenses (accommodation, food and drink and incidental expenses).

Travel diary

Whether for domestic or overseas travel, a travel diary is a document in which you record the nature, places, dates, times and duration of your activities and travel.

Table 4: Travel expense records – domestic travel

Condition	Written evidence (all expenses)	Travel diary required
You did not receive a travel allowance and the travel was less than 6 nights in a row.	Yes	No
You did not receive a travel allowance and the travel was 6 or more nights in a row.	Yes	Yes
You received a travel allowance, your claim does not exceed the reasonable allowance amount and the travel was less than 6 nights in a row.	No	No
You received a travel allowance, your claim does not exceed the reasonable allowance amount and the travel was 6 or more nights in a row.	No	No
You received a travel allowance, your claim exceeds the reasonable allowance amount and the travel was less than 6 nights in a row.	Yes	No
You received a travel allowance, your claim exceeds the reasonable allowance amount and the travel was 6 or more nights in a row.	Yes	Yes

Overseas travel

You need written evidence for all overseas accommodation expenses, regardless of the amount claimed and the length of the trip. You do not

need written evidence for food, drink and incidentals in certain circumstances (see Table 5).

Members of international aircrews do not have to keep a travel diary if they limit their claim to the amount of the allowance received.

Table 5: Travel expense records – overseas travel

Condition	Written evidence for food, drink and incidentals	Travel diary required
You did not receive a travel allowance and the travel was less than 6 nights in a row.	Yes	No
You did not receive a travel allowance and the travel was 6 or more nights in a row.	Yes	Yes
You received a travel allowance, your claim does not exceed the reasonable allowance amount and the travel was less than 6 nights in a row.	No	No
You received a travel allowance, your claim does not exceed the reasonable allowance amount and the travel was 6 or more nights in a row.	No	Yes
You received a travel allowance, your claim exceeds the reasonable allowance amount and the travel was less than 6 nights in a row.	Yes	No
You received a travel allowance, your claim	Yes	Yes

exceeds the reasonable allowance amount and the travel was 6 or more nights in a row.		
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Rules for certain types of gifts or donations (question D9)

The following information is about different types of gifts or donations for which you may be able to claim a deduction at question **D9**. If you obtained a valuation of a deductible donation of property, you may be able to claim a deduction for the cost of that valuation under question **D10**.

Gifts of property

You can claim a deduction for a gift of property (such as land, artwork or memorabilia) to an eligible organisation if:

- you purchased the property within 12 months of making the gift, or
- you purchased the property more than 12 months before you made the gift and the Commissioner valued it at more than \$5,000.

If you purchased the property within 12 months of making the gift, the amount deductible is the market value of the property at the time of the gift or the amount you paid for the property, whichever is less. If you purchased the property more than 12 months before you made the gift and the Commissioner valued it at more than \$5,000, the amount deductible is the value of the property as determined by the Commissioner.

You cannot claim a deduction for a gift of property if you did not purchase it (for example, you inherited or won the property) unless the Commissioner has valued it at more than \$5,000.

If you have made a gift of property under the cultural gifts program the rules described above do not apply to you. For more information on working out whether you can claim a deduction for a gift under this program, see [Donating under the Cultural Gifts Program](#).

For more information about property valuations, [contact us](#).

Receiving a benefit

Generally, you cannot claim a deduction for a donation if you received something in return (for example, a raffle ticket, dinner or a reduction

in your child's school fees) other than tokens like lapel badges and stickers that promote the organisation. This rule does not apply to certain fund-raising events (see [Deductions for contributions relating to fund-raising events](#)).

Deductions for contributions relating to fund-raising events

You can claim a deduction for contributions to approved organisations that relate to fund-raising events where you received a minor benefit for your contribution, provided that:

- the contribution meets certain conditions, and
- the benefit you received does not exceed a specified limit.

A fund-raising event includes a fete, ball, gala show, dinner, performance or similar event.

You can claim a deduction if you made:

- a contribution of money or property to attend or participate in (or for the right to attend or participate in) a fund-raising event, or
- a contribution of money to purchase goods or services at a charitable auction.

Your contribution must meet the following conditions:

- It was made to an approved organisation.
- If it was money, it was more than \$150.
- If it was property, you had either
 - purchased it within 12 months of making the contribution, and both the market value on the day of the contribution and the purchase price were more than \$150, or
 - owned it for more than 12 months and the Commissioner valued it at more than \$5,000.
- If it was publicly listed shares, the value was more than \$150 and less than or equal to \$5,000.
- The fund-raising event was held in Australia.
- The GST-inclusive market value of the minor benefit you received for your contribution must have been worth no more than \$150 or

20% of the value of the contribution, whichever is less. The receipt from the approved organisation will show the market value of the minor benefit you received.

Your deduction is the value of your contribution that satisfies the conditions set out above **less** the GST-inclusive market value of the minor benefit you received. Both of these amounts appear on your receipt.

There is no limit to the number of deductions you can claim for successful bids to purchase goods or services at a charitable auction, provided the above conditions are met.

Gifts of shares valued at \$5,000 or less

You can claim a deduction for a gift of shares to an approved organisation if:

- the shares were held in a company that was listed on an approved Australian stock exchange on the day the gift was made
- you acquired the shares at least 12 months before making the gift ('acquired' includes purchased, inherited, won or received as a gift or a bonus)
- the parcel of shares had a market value of \$5,000 or less on the day you made the gift
- the parcel of shares was valued at \$2 or more.

You cannot claim a deduction for shares that are suspended from trading (other than a mere trading halt).

Gifts of shares held in different companies are separate gifts even if given at the same time.

A deduction is also available to you where you contribute the shares in return for a right permitting you or another individual to attend or participate in a particular fund-raising event in Australia. The gift must satisfy the rules for [contributions to fund-raising events](#):

- the market value of the shares on the day they are contributed must be more than \$150 but less than or equal to \$5,000
- the market value of the right to attend or participate in the fund-raising event must not exceed 20% of the value of the shares or \$150, whichever is less.

Be aware that capital gains tax applies when you make a gift of shares.

Contributions and gifts to registered political parties and independent candidates and members

You can claim a deduction for contributions or gifts to registered political parties, independent members of parliament (state or Commonwealth) or independent candidates in an election for parliament. Contributions must be \$2 or more. The contribution or gift must be of money or property that you purchased during the 12 months before making the contribution or gift. If it is property, the amount deductible is the market value of the property at the time of the donation or the amount you paid for the property, whichever is less.

If the total of all your contributions and gifts to **political parties** during the year is greater than \$1,500 then the maximum amount you can deduct is \$1,500. A separate deduction limit of \$1,500 applies if the total of all your contributions and gifts to **independent** candidates or independent members of parliament for the year exceeds \$1,500.

You cannot claim a deduction for a political gift or contribution of \$2 or more (including membership fees) to registered political parties, independent candidates and members of an Australian legislature if you make the gift or contribution in the course of carrying on a business.

The contribution must be to a political party that is registered under Commonwealth, state or territory electoral laws.

The contribution to an independent candidate or independent members must be to a candidate for election to, or member of, the Commonwealth Parliament, a state or territory parliament.

An independent candidate is an individual whose candidature in an election for parliament is not endorsed by a registered political party. An independent member is a member of parliament who is not a member of a registered political party.

Australian superannuation income stream tax offset (questions 7 and T2)

To complete question **T2** when your payment summary does not show the tax offset amount:

- follow the steps below if

- you were under 60 years old, and
 - you did not have a death benefit income stream where the deceased was 60 years old or older.
- read question T2 if
 - you are 60 years old or older, or
 - you have a death benefit income stream where the deceased was 60 years old or older.

Completing your tax return

For each *PAYG payment summary – superannuation income stream* that does not show a tax offset amount, you can work out your tax offset amount by multiplying the taxed element and the untaxed element of the taxable component shown on each of those payment summaries by the relevant percentage shown in tables **6A** to **6C**.

Worksheet 1: Working out the amount of your tax offset taxed element only (pre-60 income)

Row	Calculation	Amount
a	The amount of any taxed element of your superannuation income stream benefit paid to you for which you are entitled to a tax offset	\$
b	Relevant percentage from Tables 6A to 6C	%
c	Multiply row a by row b .	\$

Tables 6A to 6C: Percentages you use to work out your Australian superannuation income stream tax offset

Table 6A: Death benefit income stream

Age of the deceased	Your age at date of each	Taxed element	Untaxed element
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	payment		
Under 60 years old	Under 60 years old	15%	0%
Under 60 years old	60 years old or older	Not applicable	Limited – read question T2.
60 years old or older	Any age	Not applicable	Limited – read question T2.

Table 6B: Disability superannuation benefit income stream

Your age at date of each payment	Taxed element	Untaxed element
Under 60 years old	15%	0%
60 years old or older	Not applicable	Limited – read question T2.

Table 6C: All other income streams

Your age at date of each payment	Taxed element	Untaxed element
Under preservation age	0%	0%
From preservation age and under 60 years old	15%	0%
60 years or older	Not applicable	Limited – read question T2.

If your circumstances in the above tables changed during 2022–23, for example, because you turned 60 years old during the year, then a different percentage of tax offset may apply to the amounts of the

superannuation income stream you received before and after your birthday; read question T2.

If you have any *PAYG payment summary – superannuation income stream* that shows tax offset amounts, and you were under 60 years old on 30 June 2023, add up these amounts and the amount from row **h** in **worksheet 1** at question **T2**. Write the total amount at question **T2** – label **S** in your tax return. Do not show cents.

Tax-free government pensions or benefits that are taken into account in the income tests (question IT3)

If you receive any of the government pensions or benefits listed below, you must include at question **IT3** the part of those pensions and benefits that are exempt from tax. In some cases, all of your pension or benefit could be exempt from tax, and in other cases only part of it might be.

Do not include any part of the following pensions and benefits that is a bereavement payment, pharmaceutical allowance, rent assistance or remote area allowance, or language, literacy and numeracy supplement.

- Disability support pension paid by Centrelink to a person who is under age-pension age
- Youth disability supplement if you receive a disability support pension
- Carer payment under Part 2.5 of the *Social Security Act 1991* (this is not the carer allowance under Part 2.19 of the *Social Security Act 1991*)
- Pension for defence, peacekeeping or war-caused death or incapacity, or any other pension granted under Part II or Part IV of the *Veterans' Entitlement Act 1986*
- Invalidity service pension where the veteran is under age-pension age
- Partner service pension where either
 - the partner and the veteran are under the age-pension age and the veteran is receiving an invalidity service pension, or

- the partner is under age-pension age, the veteran has died and was receiving an invalidity service pension at the time of death.
- Income support supplement paid under Part IIIA of the *Veterans' Entitlements Act 1986*
- Veteran payment under an instrument made under Part IIIAA of the *Veterans' Entitlements Act 1986*
- Defence Force income support allowance payable to you on a day when the whole of your social security pension or benefit, which is also payable to you on that day, is exempt from income tax under section 52-10 of the *Income Tax Assessment Act 1997*
- Special rate disability pension under Part 6 of Chapter 4 of the *Military Rehabilitation and Compensation Act 2004*
- Payment of compensation under section 68, 71 or 75 of the *Military Rehabilitation and Compensation Act 2004*
- Payment of the weekly amount mentioned in paragraph 234(1)(b) of the *Military Rehabilitation and Compensation Act 2004* (including a reduced weekly amount because of a choice under section 236 of that Act) or of a lump sum mentioned in subsection 236(5) of that Act.

If you are not sure, for the purpose of this question, whether a government pension or benefit you have received is tax-free, contact us.

Glossary

Capped defined benefit income streams

Capped defined benefit income streams include:

- lifetime pensions, regardless of when they start
- lifetime annuities that existed and were in retirement phase prior to 1 July 2017
- life expectancy pensions and annuities that existed and were in retirement phase prior to 1 July 2017

- market-linked pensions and annuities that existed and were in retirement phase prior to 1 July 2017.

Due to commutation restrictions, transfer balance cap rules apply differently to capped defined benefit income streams. Instead, a defined benefit income cap will limit the amount of tax-free income you can receive from one of these income streams.

Generally for 2022–23, the defined benefit income cap is \$106,250.

If you are 60 years old or older (or a death benefit dependant and the deceased died at 60 years old or older) and your superannuation income stream benefits paid from capped defined benefit income streams exceeds your defined benefit income cap, you may have additional tax liabilities:

- If the total of your tax-free components and taxed element amounts exceeds your defined benefit income cap, 50% of the excess will be taxed at your current marginal rate. Untaxed element amounts are excluded from this calculation. If you are under 60 years old only superannuation income stream benefits from capped defined benefit income streams you receive as a death benefits dependant where the deceased dies at age 60 years old or older are included in this calculation.
- If you receive untaxed element amounts and the total of your superannuation income streams benefits from capped defined benefit income streams exceeds your defined benefit income cap, the 10% tax offset that applies to your untaxed element amounts will be reduced by an amount that is 10% of that excess. If you are under 60 years old only superannuation income stream benefits from capped defined benefit income streams you receive as a death benefits dependant where the deceased dies at age 60 years old or older are included in this calculation.

For more information, see:

- **Transfer balance cap**
- **Transfer balance cap – capped defined benefit income streams.**

Child

Child includes:

- your adopted child, stepchild or ex-nuptial child

- your child born or adopted in 2022–23
- a child of your spouse
- someone who is your child within the meaning of the *Family Law Act 1975* (for example, a child who is considered to be a child of a person under a state or territory court order giving effect to a surrogacy agreement).

Death benefit employment termination payment (question 4)

A death benefit employment termination payment (ETP) is a lump sum payment which is paid to you because you are the beneficiary of a person who has died. If the ETP was paid to you as the trustee of a deceased estate, you must show the ETP in the tax return of the deceased estate, not in your personal tax return.

If you received a death benefit ETP from a deceased person's employer, the information provided on your *PAYG payment summary – employment termination payment* will depend on whether you were a [death benefits dependant](#).

If you were a death benefits dependant, the payment summary will show only the taxable components of the ETP over \$230,000. If you were not a death benefits dependant, the payment summary will show the entire taxable component of the ETP.

Death benefit income stream (questions 7 and T2)

A death benefit income stream is a superannuation income stream paid to you as a death benefits dependant of a deceased member.

Death benefits dependant (questions 4, 7 and 8)

You are a death benefits dependant of the deceased if, at the time they died, you were:

- the surviving spouse
- a former spouse
- a child of the deceased and you were under 18 years old
- any other person who was financially dependent on the deceased, or

- any other person in an [interdependency relationship](#) with the deceased.

For question 8, you are also a death benefits dependant when you receive a superannuation lump sum payment because a member of the Australian Defence Force or of an Australian police force, including the Australian Protective Service, died in the line of duty.

If you disagree with the dependency status shown on your payment summary, you should discuss it with the payer.

For the purposes of the definition of death benefits dependant the following apply:

Spouse of the deceased includes another person:

- with whom the deceased was in a relationship that was registered under a prescribed law of a state or territory
- not legally married to the deceased person, who lived with the deceased on a genuine domestic basis in a relationship as a couple.

Child of the deceased includes:

- an adopted child, stepchild or ex-nuptial child of the deceased
- a child of the deceased's spouse
- someone who is a child of the deceased within the meaning of the *Family Law Act 1975* (for example, a child who is considered to be a child of a person under a state or territory court order giving effect to a surrogacy agreement).

Defined benefit income cap

This is the amount of certain superannuation income stream benefits an individual can receive from capped defined benefit income streams before being subject to additional income tax.

For 2022–23, the defined benefit income cap is \$106,250 (the \$1.7 million general transfer balance cap divided by 16), though this may be reduced in certain circumstances, including if you:

- are receiving a capped defined benefit income stream and turn 60 years old part-way through the year, and therefore begin receiving concessional tax treatment for that income

- start a capped defined benefit income stream with concessional tax treatment for the first time part-way through the year
- start receiving a capped defined benefit income stream that was a death benefit income stream with concessional tax treatment part-way through the year
- are under 60 years old and receive more than one capped defined benefit income stream where at least one is a death benefit income stream where the deceased died age 60 or older and one is not a death benefit income stream where the deceased died age 60 or older.

In future financial years, the defined benefit income cap will be indexed in line with the general transfer balance cap.

Dependant (question T4)

A **dependant** must be an Australian resident for tax purposes. A dependant can be:

- a child who is under 21 years old and is not a student
- a student under 25 years old who is studying full time at school, college or university
- an [invalid](#) or an [invalid carer](#).

If you want to claim a tax offset for your dependants, you may need to work out your and your **dependants' adjusted taxable income (ATI)** for the relevant period to determine:

- whether you are eligible for a tax offset, and
- the amount of the tax offset you are entitled to.

Foreign termination payment (FTP) (question 4)

If you think you received a foreign termination payment (discussed at question **4**) the following description will help you decide what to do.

An FTP is a payment that:

- you received in consequence of the termination of your employment in a foreign country and the payment relates only to a period of employment when you were a foreign resident, or


- was not exempt from income tax in the foreign country, you were an Australian resident during the period of the employment or service, and you received the payment as a result of the termination of your
 - employment in a foreign country where the foreign earnings were exempt from Australian tax for the period of employment, or
 - qualifying service on an approved project and the eligible foreign remuneration was exempt from Australian tax during the period of engagement.

The payment is not an FTP if it is a superannuation benefit paid from a superannuation fund, retirement savings account or an approved deposit fund or if it is a payment of a pension or an annuity.

Foreign termination payments are non-assessable non-exempt income, that is, tax-free income. Do not show them anywhere in your tax return.

Income statement

If your employer is reporting through Single Touch Payroll your income statement replaces your payment summary.

You can access your income statement online in [myGov](#) . We update your income statement throughout the year when your employer pays you. If your income statement is:

- **tax ready**, your employer has finished with your income statement, and you can use it to do your tax return
- **year to date** or **not tax ready**, your employer has not finished with your income statement. Your employer must finalise your information by 14 August.

Indeterminate (Spouse details – married or de facto)

Indeterminate refers to any person who does not exclusively identify as either male or female, for example, a person of a non-binary gender. A person may use a variety of other terms to self-identify.

Interdependency relationship

An interdependency relationship exists if there is a close personal relationship between 2 persons and the following conditions are met:

- they live together, and
- one or each of them provides the other with financial support, domestic support and personal care.

An interdependency relationship can also exist if there is a close personal relationship between 2 persons but one or more of the conditions stated above are not satisfied because of the physical, intellectual or psychiatric disability of one of the people.

However, 2 persons do not have an interdependency relationship if one of them provides domestic support and personal care to the other:

- under an employment contract or a contract for service, or
- on behalf of another person or organisation such as a government agency, a body corporate or a benevolent or charitable organisation.

Invalid (questions T4, T5 and M1)

An **invalid** can be your:

- spouse
- parent
- child, aged 16 years or older
- brother or sister, aged 16 years old or older
- spouse's parent
- spouse's child, aged 16 years or older, or
- spouse's brother or sister, aged 16 years old or older.

That person must be receiving:

- a disability support pension under the *Social Security Act 1991*
- a special needs disability support pension under the *Social Security Act 1991*, or
- an invalidity service pension under the *Veterans' Entitlement Act 1986*.

Invalid carer (questions T4, T5 and M1)

A **dependent carer** is your:

- spouse
- parent
- spouse's parent

who is caring for your or your spouse's invalid child aged 16 years or older, or your or your spouse's invalid brother or sister aged 16 years old or older.

The invalid carer must be:

- receiving a carer allowance or carer payment under the *Social Security Act 1991* in relation to caring for that person

or

- wholly engaged in providing care to that person and the person being cared for receives
 - a disability support pension under the *Social Security Act 1991*
 - a special needs disability support pension under the *Social Security Act 1991*, or
 - an invalidity service pension under the *Veterans' Entitlement Act 1986*.

Late termination payment (question 4)

A late termination payment is a lump sum payment, similar to employment termination payments (ETPs) referred to in question **4**, which you received more than 12 months after the time you retired or ceased employment.

A late termination payment is treated as an ETP where:

- legal action about your entitlement to the ETP or about the amount of the ETP was commenced within 12 months of the termination of your employment
- the payment was made by a person who was appointed within 12 months of your employment termination as a liquidator, receiver or trustee in bankruptcy for the employer, or
- the payment was due to a person's membership in a redundancy trust and the application for payment was made within 12 months of

becoming entitled to the payment under the rules of the trust. The trustee of the redundancy trust must make the payment as soon as practicable after receiving the application and within 2 years of the termination of the employment that led to the entitlement.

If these conditions are not met, and you received the payment more than 12 months after termination of your employment, then you must show the amount of the payment at question **1** in your tax return.

Low-rate cap amount for taxable components of superannuation lump sum payments (question 8)

This concession applies only to superannuation lump sums paid to you when you have reached your preservation age but before you turn 60 years old.

The low-rate cap amount is the maximum amount of taxable components (taxed and untaxed elements) that can be taxed at a concessional lower rate.

For 2022–23, the low-rate cap amount is a maximum of \$230,000, but it could be less for you if before July 2022 you received any superannuation lump sums that counted towards your entitlement to a superannuation lump sum tax offset. The amount is indexed to average weekly ordinary time earnings and rounded down to the nearest multiple of \$5,000. See [Key superannuation rates and thresholds](#).

The low-rate cap amount is a 'lifetime' limit. This means that the **taxed element** and **untaxed elements** of **all** superannuation lump sum payments that you receive (as well as the amount of any eligible termination payments for which you became entitled to a rebate before 1 July 2007) when you have reached your preservation age but before you turn 60 years old will be taxed at a concessional rate until your total reaches the low-rate cap amount (\$230,000 plus future indexed increases). Payments you receive in excess of the low-rate cap amount will be taxed at the tax rate shown in [Tables 2A to 2C](#).

Consequently, for 2022–23 the maximum amount for which you can be taxed at a concessional rate is \$230,000 less any amounts to which the concessional tax rate has previously been applied.

For more information, see [Tax on contributions](#).

Maintaining a dependant (questions T4, M1, M2 and IT8) or maintaining another person (question T5)

You **maintained a dependant** or **maintained another person** if any of the following applied:

- you both lived in the same house
- you gave them food, clothing and lodging
- you helped them to pay for their living, medical and educational costs.

If you had a spouse for the whole of 2022–23 and your spouse worked at any time during the year, we still consider you to have maintained your spouse as a dependant for the whole income year.

We consider you to have maintained a dependant or maintained another person even if the 2 of you were temporarily separated, for example, due to holidays or overseas travel.

If you maintained a dependant or maintained another person for only part of the year, you may need to adjust your claim accordingly.

Pension age (Amounts that you do not pay tax on)

Centrelink 66 years and 6 months old or older

Veterans' Affairs Veteran or war widow or war widower who:

- is 60 years old or older
- meets the veteran pension age test

Preservation age (questions T2, M1 and M2)

Super benefits can only be accessed if a condition of release is met, which in many cases will depend on the member's preservation age. Access to lump sum super benefits is generally restricted to members who have reached their preservation age and retired. Your preservation age depends on when you were born.

The following table will help you work it out.

Preservation age

Date of birth	Preservation age
----------------------	-------------------------

Before 1 July 1960	55
1 July 1960 – 30 June 1961	56
1 July 1961 – 30 June 1962	57
1 July 1962 – 30 June 1963	58
1 July 1963 – 30 June 1964	59
From 1 July 1964	60

For more information, see [Tax on contributions](#).

Recognised tax adviser

A recognised tax adviser is a registered tax agent, BAS agent, tax (financial) adviser, barrister or solicitor.

Shared care (questions M1 and T4)

You had **shared care** if you, and your spouse if you had one, cared for your child for some of the income year, and someone else, such as a former spouse, cared for the child for the rest of the income year.

If you received family tax benefit (FTB) Part B as part of a shared-care arrangement, you will need to know your FTB shared-care percentage to calculate your spouse offset. Your FTB shared-care percentage is usually not the same as your 'shared care percentage' which appears on correspondence you have received from Services Australia.

If you do not know your FTB shared-care percentage, contact [Services Australia](#) .

Sole care (question M1)

Sole care means that you alone had full responsibility, on a day-to-day basis, for the upbringing, welfare and maintenance of a child or student. You are not considered to have sole care if you are living with a spouse (married or de facto) unless special circumstances exist. Generally, for special circumstances to exist, you must be financially responsible for the dependent child or student and have sole care without the support that a spouse normally provides.

Situations where special circumstances may arise include:

- You were married at any time during 2022–23 but
 - during 2022–23, you then separated from, or were deserted by, your spouse, and
 - for the remainder of 2022–23, you were not in a de facto relationship.
- Your spouse was in prison for a sentence of at least 12 months.
- Your spouse is medically certified as being permanently mentally incapable of taking part in caring for the child or student.

If you are not sure whether special circumstances apply, **contact us**.

Spouse

Your **spouse** includes another person who, for 2022–23:

- you were in a relationship with that was registered under a prescribed state or territory law
- although not legally married to you, lived with you on a genuine domestic basis in a relationship as a couple.

Terminal medical condition (question 8)

For income tax purposes, you have a terminal medical condition if both the following circumstances are met:

- 2 registered medical practitioners (with at least one being a specialist practising in the area related to the illness or injury) have certified that you suffer an illness or have incurred an injury that is likely to result in your death within a 24 month period, starting from the date of certification
- each of the certificates is less than 24 months old.

Superannuation lump sum payments paid to you are tax free if you have a **terminal medical condition** at the time you received the payment or within 90 days of receiving payment. You should not have received a PAYG payment summary for these payments.

If you received such a payment and tax was withheld, you can get a refund of the tax.

For more information, see [Withdrawing and using your super](#).

Untaxed-plan cap amount for untaxed elements (question 8)

The untaxed-plan cap amount is the maximum amount of the untaxed elements of your superannuation lump sum payments which will be subject to concessional tax rates.

For 2022–23, the untaxed-plan cap amount is a maximum of \$1.650 million, but it could be less for you if you have previously received another superannuation lump sum with an untaxed element from the same superannuation fund. The amount is indexed to average weekly ordinary time earnings and rounded down to the nearest multiple of \$5,000. See [Key superannuation rates and thresholds](#).

There is a separate untaxed-plan cap amount for each superannuation fund you have. This means that, for each fund, the untaxed elements which make up your superannuation payments will be taxed at a concessional rate until these untaxed elements reach the untaxed-plan cap amount (\$1.650 million plus future indexed increases). Amounts above this limit are taxed at the top marginal rate.

If you roll over an amount from one superannuation fund to another, any untaxed element that is part of that amount will count towards the untaxed-plan cap amount for the fund from which the amount was rolled over.

QC 71864

Car and travel expenses 2023

You may be able to claim deductions for work-related car expenses and work-related travel expenses.

Last updated 25 May 2023

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[Things you need to know](#)

Things you need to know

Work-related car expenses and work-related travel expenses are expenses you incur in the course of performing your job as an employee. You claim deductions for them at questions **D1** and **D2**.

You can claim

You claim a deduction for work-related expenses at question **D1 Work-related car expenses 2023** for a car you either:

- owned
- leased or hired under a hire purchase agreement (and the expense is not a travel expense, which you show at question **D2 Work-related travel expenses 2023**).

You can claim the following work-related car and travel expenses at question **D2 Work-related travel expenses 2023**:

- expenses for vehicles with a carrying capacity of one tonne or more, or 9 or more passengers (for example, utility trucks and panel vans)
- expenses for motorcycles
- short-term car hire
- public transport fares
- bridge and road tolls
- parking fees
- taxi fares
- petrol, oil and repair costs relating to work-related travel you did in a car owned or leased by someone else
- meal, accommodation, and incidental expenses you incurred while away overnight for work.

The deductions include the cost of trips you undertake in the course of performing your work duties, which may also include trips between your home and your workplace if:

- you used your car because you had to carry bulky tools or equipment that you used for work and could not leave at your workplace (for example, an extension ladder or cello)
- your home was a base of employment (that is, you were required to start your work at home and travel to a workplace to continue your work for the same employer)
- you had shifting places of employment (that is, you regularly worked at more than one site each day before returning home).

Work-related car and travel expenses also include the cost of trips:

- between 2 separate places of employment when you have a second job, providing one of those places is not your home
- from your normal workplace or your home to an alternative workplace that is not a regular workplace (for example, a client's premises) while you are on duty
- from an alternative workplace that is not a regular workplace back to your normal workplace or directly home.

If the travel was partly private, you can claim only the work-related part.

For more information, see [Cars, transport and travel](#).

You cannot claim

You cannot claim normal trips between your home and your workplace, even if:

- you did minor work-related tasks at home or between home and your workplace
- you travelled between your home and workplace more than once a day
- you were on call
- there was no public transport near work
- you worked outside normal business hours
- your home was a place where you ran your own business and you travelled directly to a place of employment where you worked for somebody else.

Award transport payments

If you received an award transport payment that was paid under an industrial law or award in force on 29 October 1986, see [Award transport payments](#).

Where to go next

- Go to question D1 [Work-related car expenses 2023](#).
- Return to main menu [Individual tax return instructions 2023](#).
- Go back to [Claiming deductions 2023](#).

QC 71870

Claiming deductions 2023

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

Last updated 25 May 2023

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[Basic rules](#)

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[Advance expenditure](#)

[Allowances](#)

[Decline in value of a depreciating asset](#)

[Where to go next](#)

Things you need 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)
- did not 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 also

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

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 questions **D1** to **D6**, as relevant.

All foreign deductions must be converted to Australian dollars before you complete this item. For more information on how to convert your foreign deductions, see **Foreign exchange gains and losses** 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 were not reimbursed
- the expense must be directly related to earning your income
- you must have a record to prove the expense.

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:

- 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 cannot 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 items.

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.

Deductions for prepaid expenses 2023 will help you work out deductions you can claim for expenses you incur for things to be done in a later income year.

Allowances

If you received an allowance that you showed at item **2** on your tax return, you can claim a deduction for your expenses covered by the

allowance but only if you:

- actually incurred those 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 at question **2** on your tax return
- you claim a deduction of \$300 at question **D5**.

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 on the basis of 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 *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.

Where to go next

- Go to [Car and travel expenses 2023](#).
- Return to main menu [Individual tax return instructions 2023](#).
- Go back to [Total income or loss 2023](#).

Rebate income 2023

Work out your rebate income and if you're eligible for the seniors and pensioners tax offset at question T1.

Last updated 25 May 2023

On this page

[What is rebate income?](#)

[Calculate your rebate income](#)

What is rebate income?

Your rebate income is the total amount of your taxable income (excluding any assessable First home super saver released amount) plus the following amounts if they apply to you:

- adjusted fringe benefits total, which is the sum of
 - reportable fringe benefits amounts you received from employers exempt from fringe benefits tax under section 57A of the *Fringe Benefits Tax Assessment Act 1986* multiplied by 0.53, and
 - reportable fringe benefits amounts from employers not exempt from fringe benefits tax under section 57A of the *Fringe Benefits Tax Assessment Act 1986*
- reportable employer superannuation contributions
- deductible personal superannuation contributions
- your net financial investment loss (that is, the amount by which your deductions attributable to financial investments exceeded your total financial investment income)
- your net rental property loss (that is, the amount by which your deductions attributable to rental property exceeded your rental

property income).

Calculate your rebate income

To work out your rebate income, use the following worksheet.

Worksheet 1 – Working out your rebate income

Row	Calculation	Amount
a	Your taxable income (from Taxable income or loss on your tax return – excluding any assessable First home super saver released amount) If your taxable income is a loss, write 0 (zero) .	\$
b	Your reportable employer superannuation contributions (from question IT2 – label T in your tax return)	\$
c	Your deductible personal superannuation contributions (from question D12 – label H in your tax return)	\$
d	Your net financial investment loss (from question IT5 – label X in your tax return)	\$
e	Your net rental property loss (from question IT6 – label Y in your tax return)	\$
f	Your adjusted fringe benefits total – the sum of: <ul style="list-style-type: none">• question IT1 – label N in your tax return multiplied by 0.53 and rounded down to the nearest dollar, and• question IT1 – label W in your tax return)	\$
g	Add up the amounts from rows a to f . This	\$

is your rebate income.

Go back to question T1 Seniors and pensioners tax offset 2023.

QC 71940

Referred publications 2023

Use these publications to help you understand your tax obligations and prepare your 2023 tax return.

Last updated 25 May 2023

Business and professional items 2023

Use these instructions to help you complete the Business and professional items schedule for individuals 2023.

Employment termination payment schedule

Complete an Employment termination payment (ETP) schedule if you received 2 or more ETPs.

Government super contributions workbook 2023

Use this workbook to help you complete question A3 in your tax return 2023.

Guide to capital gains tax 2023

Information about capital gains tax for individuals who have sold their main residence, for individuals with complex capital gains tax obligations and for companies, trusts and funds.

Guide to depreciating assets 2023

Information on capital assets, such as a car or machinery, used to earn your income that you may be able to claim a deduction for, spread over its effective life.

Guide to foreign income tax offset rules 2023

A guide to claiming a foreign income tax offset (FITO), how to calculate the amount and what rules apply.

Income averaging for special professionals 2023

Information about types of professional income and how to work out the tax payable with income averaging.

Individual PAYG payment summary schedule 2023

Complete the Individual PAYG payment summary schedule 2023 to report personal services income where tax was withheld.

Non-lodgment advice 2023

Use this form if you do not need to lodge a tax return for the 2023 income year.

Personal investors guide to capital gains tax 2023

A guide to your tax obligations if you made a capital gain or loss from shares, units or managed funds.

Refund of franking credits instructions and application for individuals 2023

Use these instructions to help you complete the Application for refund of franking credits for individuals.

Rental properties 2023

A guide on how to treat rental income and expenses, including how to treat many residential rental property assets and items.

Salary and wage occupation codes 2023

Use this guide to help with completing the occupation code on your tax returns. NAT 1932-06.2023

Superannuation lump sum schedule

Use the Superannuation lump sum schedule if you received 2 or more super lump sum payments..

Tax return for individuals 2023

Use this form to lodge a 2023 paper individual tax return by mail. Most returns are processed within 50 days.

Tax return for individuals (supplementary section) 2023

Use this form to lodge a paper 2023 tax return supplementary section.

You and your shares 2023

A guide on income you declare, deductions and credits you can claim, and records you need to keep.

QC 71929

Checklist – tax return 2023

Complete the tax return checklist to avoid any delays when you lodge your paper tax return.

Last updated 25 May 2023

On this page

[Things you need to know](#)

[Check that you have...](#)

[When can you expect your notice of assessment?](#)

[Do you want to work out your tax?](#)

Things you need to know

To avoid any delay in the processing of your tax return, use the pre-addressed envelope provided with the tax return instructions, or use the following address:

Australian Taxation Office

GPO Box 9845

(insert the name and postcode of your nearest capital city)

For example:

Australian Taxation Office

GPO Box 9845

SYDNEY NSW 2001

Check that you have...

- written your tax file number
- filled in all your personal details, including your date of birth, correctly
- completed the appropriate details for electronic funds transfer to have your refund paid directly into a financial institution account
- filled in the code boxes, if you were asked to do so, at questions **1, 3, 4, 8, TOTAL SUPPLEMENT INCOME OR LOSS, TOTAL INCOME**

OR LOSS, D1, D3, D4, SUBTOTAL, TAXABLE INCOME OR LOSS, T1, M1, Private health insurance policy details, A1 and A3

- completed question **M2**, which is compulsory for all taxpayers
- completed income tests questions **IT1 to IT8**
- written totals at
 - **TOTAL TAX WITHHELD**
 - **TOTAL SUPPLEMENT INCOME OR LOSS** (if applicable)
 - **TOTAL INCOME OR LOSS**
 - **TOTAL SUPPLEMENT DEDUCTIONS** (if applicable)
 - **TOTAL DEDUCTIONS**
 - **SUBTOTAL**
 - **TAXABLE INCOME OR LOSS**
 - **TOTAL SUPPLEMENT TAX OFFSETS** (if applicable)
 - **TOTAL TAX OFFSETS**
- completed **Spouse details – married or de facto** if required
- completed your spouse's details and provided your signature in your tax return if you have consented to offset part or all of your tax refund against your spouse's Family Assistance debt.
- completed question **A1** if you were under 18 years old on 30 June 2023; this is **compulsory** and if not completed, you may be taxed at a higher rate than necessary
- completed question **A4** if you were in Australia on either a 417 or 462 visa that allowed you to work and holiday; this is **compulsory** and if not completed you may be taxed at a higher rate than necessary.
- read, completed, signed and dated the **Taxpayer's declaration** on page 10 of your tax return; failure to do so will result in it being returned to you and penalties for late lodgment may be applied
- attached copies of all documents or schedules which the tax return instructions tells you to attach

- kept copies of your tax return, all attachments and relevant papers for your own records.

When can you expect your notice of assessment?

We aim to process tax returns within 10 weeks. If you lodged your tax return online using myTax, our standard processing time is 2 weeks.

Do you want to work out your tax?

If you want to work out your tax refund or debt, use the [Income tax estimator](#).

QC 71865

Checklist – supplement 2023

Complete the supplementary checklist to make sure you have completed your supplementary tax return before lodgment.

Last updated 25 May 2023

Check that you have...

- printed your tax file number and name on page 13 of your supplementary tax return
- written totals (if applicable) at
 - **Total supplement income or loss**
 - **Total supplement deductions**
 - **Total supplement tax offsets**
- transferred the totals above, where instructed

- completed question **A5**, if required to do so
- if you were asked to do so, filled in the boxes at questions **13, 17, 18, 19, 20, 21** and **Total supplement income or loss**, and the box at question **T9**
- completed **Spouse details – married or de facto** if you completed **T3**
- attached to page 3 of your tax return all attachments as instructed by any section or question in *Individual tax return instructions supplement 2023*
- kept copies of your tax return, all attachments and relevant papers for your own records.

QC 71866

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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