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Tradesperson – income and work-related deductions

Tradespersons guide to income, allowances and claiming deductions for work-related expenses.

Last updated 11 May 2026

For a summary of common expenses, see Tradesperson (Tradies) (PDF, 524KB).

Who this guide applies to

Find out if this guide applies to you.

Income and allowances

Income and allowance amounts you need to include in your tax return and amounts you don't include.

Deductions for work expenses

Deductions you can and can't claim for expenses you incur to earn your income.

Record keeping for work expenses

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Who this guide applies to

Find out if this guide applies to you.

Last updated 11 May 2026

When we say tradesperson, we mean employees engaged as:

- plumbers
- electricians
- carpenters
- welders and boilermakers
- painters
- plasterers
- bricklayers
- glaziers
- roofers
- floor covering installers, for example, tilers.

Tradespeople can also be apprentices, work in the building and construction industry or on mining sites. For more information and examples related to apprentices, building and construction employees and mining site employees, see:

- **Apprentices and trainees – income and work-related deductions**
- **Building and construction employees – income and work-related deductions**
- **Mining site employees – income and work-related deductions**

Find out about employee tradesperson:

- **Income and allowances**
- **Deductions for work expenses**

- Record keeping for work expenses

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Income and allowances

Income and allowance amounts you need to include in your tax return and amounts you don’t include.

Last updated 11 May 2026

Amounts you do and don't include

You must include all the income you receive as a tradesperson during the income year in your tax return, this includes:

- salary and wages, including cash or bonus payments
- allowances
- compensation and insurance payments – for example, payments made under an income protection insurance policy to replace salary and wages.

Don't include as income any reimbursements you receive.

Your income statement or a payment summary will show all your salary, wages and allowances for the income year.

Allowances

You must include all **allowances** your employer reports on your income statement or payment summary as income in your tax return.

An allowance is where your employer pays you an amount:

- to help you pay for a work expense – for example, tools and equipment
- as compensation for an aspect of your work such as working conditions or industry peculiarities – for example, handling chemicals

- for having special duties, skills or qualifications – for example, first aid qualifications.

Your employer may not include some allowances on your income statement or payment summary. Find out about declaring income and claiming deductions for Allowances not on your income statement.

Allowances not on your income statement or payment summary

If you receive an allowance from your employer, it does not automatically mean you can claim a deduction.

Your employer may not include some allowances on your income statement or payment summary, you will find these amounts on your payslip. You don't need to declare these allowances as income in your tax return, unless you're claiming a deduction. Examples include travel allowances and overtime meal allowances.

If you spend the allowance amount on deductible work expenses, you:

- don't include it as income in your tax return
- can't claim any deductions for the work expenses the allowance covers.

If you're not claiming a deduction, you don't need to keep any records of the amounts you spend.

If you spend your allowance on deductible work-related expenses, to claim a deduction you:

- must include the allowance as income in your tax return
- include a claim for the work expenses you incur in your tax return
- must have records of your expenses.

If you can claim a deduction, the amount of the deduction is not usually the same amount as the allowance you have receive.

Allowances and claiming a deduction

The following table sets out allowances you may receive and when you can claim a deduction.

Allowance types, reason for the allowance and if you can claim a deduction

Reason for allowance	Examples of allowance types	Deduction (Yes or No)
Compensation for an aspect of your work that is unpleasant, special or dangerous or for industry peculiarities	Industry allowances Underground allowance Electrician's licence allowance Multistorey allowance Laser operation allowance Carpenter-diver allowance Air-conditioning industry and refrigeration industry allowances In charge of plant allowances Inclement weather Computer quantities allowance Scaffolding and rigging certificate Leading hand allowance Grindstone allowance	No Income tax applies to these allowances but you can't claim a deduction. These allowances don't help you pay for deductible work-related expenses
An amount for certain expenses	Award transport payment (motor vehicle allowance, fares allowance	Yes If you incur deductible expenses

	and other travelling time entitlements) Tool allowance Overtime meal allowance	
An amount for special skills	A first aid certificate	Yes If you incur deductible expenses

Example: allowance assessable, deduction allowable

Roger is a carpenter. Roger's employer doesn't provide him with tools but pays Roger a tool allowance of $1,130 per year.

During the income year, Roger buys a new circular saw for $729. The tool allowance is shown on Roger's income statement at the end of the income year.

Roger must include the tool allowance as income in his tax return.

Roger can claim a deduction for the **decline in value** of his circular saw.

Example: allowance assessable, no deduction allowable

Maris works as a concreter. When Maris works in the rain, she receives an allowance from her employer.

At the end of the income year, Maris's employer includes the allowance on her income statement.

Maris must include the allowance as income in her tax return.

Maris can't claim a deduction because she doesn't incur any deductible expenditure. The allowance compensates Maris for working in unpleasant conditions. It is not to help pay for expenses Maris might incur.

Reimbursements

If your employer pays you the exact amount for expenses you incur (either before or after you incur them), the payment is a **reimbursement**.

A reimbursement isn't an allowance.

If your employer reimburses you for expenses you incur:

- you don't include the reimbursement as income in your tax return
- you can't claim a deduction for them.

Find out about employee tradesperson:

- **Who this guide applies to**
- **Deductions for work expenses**
- **Record keeping for work expenses**

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Deductions for work expenses

Deductions you can and can't claim for expenses you incur to earn your income.

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Claiming deductions

For a summary of common expenses, see Tradesperson (Tradies) (PDF, 524KB).

To claim a deduction for a work-related expense you must meet the 3 golden rules:

1. You must have spent the money and you weren't reimbursed.
2. The expense must directly relate to earning your income.
3. You must have a **record** to prove it (usually a receipt).

If the expense was for both work and private purposes, you can only claim a deduction for the work-related portion of the expense.

You can’t claim a deduction if:

- you don't keep records of your work-related expenses
- someone else (such as an employer) pays for the expense or reimburses you for it.

Find out which expenses you can and can't claim as a tradesperson:

- **Tradesperson expenses A–F**
- **Tradesperson expenses G–O**
- **Tradesperson expenses P–S**
- **Tradesperson expenses T–W**

To work out what you can or can't claim as a deduction, what records you need, and for more information on expenses (including examples), see **Employees guide for work expenses**.

Keeping records

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

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

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

Other languages

A summary of common work-related deductions may be available in your language, go to **other languages** and to see if a summary is

available.

Tradesperson expenses A–F

Details on claiming tradesperson expenses.

Tradesperson expenses G–O

Details on claiming tradesperson expenses.

Tradesperson expenses P–S

Details on claiming tradesperson expenses.

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Tradesperson expenses A–F

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Award transport payments (fares allowance)

An award transport payment (fares allowance) is a payment made to you under an award that was in force on 29 October 1986. You might receive an award transport payment (fares allowance) from your employer to cover transport or car expenses. You must include these allowances as assessable income in your tax return.

You can claim a deduction for expenses covered by **award transport payments**, if the expenses are for work-related travel, and you have actually spent the money.

You don't need to keep written evidence or travel records if you meet all of the following conditions:

- you are paid an award transport payment
- you incur deductible transport expenses that are covered by the award transport payment
- the total of the transport expenses you claim as a deduction is less than the amount payable under the award on 29 October 1986 (the 'award amount'). Your employer or union can tell you the award amount.

However, you will need to be able to show how you work out you claim if we request this information.

This exception from keeping written evidence doesn't give rise to an automatic deduction. You're still required to incur a deductible expense relating to the transport the payment covers.

If you want to claim a deduction that is more than the award amount on 29 October 1986, you'll need written evidence and travel records (where necessary) for your whole claim.

Example: deduction allowable more than Award amount

Chandra is an employee house painter. He uses his car to carry his bulky tools and equipment to and from work.

Chandra's employer pays him an award transport (fares) allowance of $17.88 per day. The award rate as at 29 October 1986 was $7.60 per day.

The allowance is shown on Chandra's income statement. Chandra must declare the allowance as income in his tax return.

Chandra can claim a deduction for the transport costs he incurs travelling from home to work sites, between work sites and from work sites to his home.

If Chandra claims a deduction of more than $7.60 per day, he must provide written evidence for the whole of his claim, not just the excess over $7.60 per day.

Example: no deduction for transport expenses

Michael is a carpenter working at a factory that manufactures kitchens. He doesn't transport bulky tools or equipment to work.

Even though Michael isn't required to leave the factory at any time in the course of his working day, his employer pays him a fares allowance. The allowance is shown on Michael's income statement at the end of the income year.

Michael must include the allowance as income but can't claim a deduction for the cost of travel to and from work. It is a private expense.

Car expenses

You can't claim a **car expenses** deduction for normal trips between your home and regular place of work. These are private expenses, even if you:

- live a long way from your usual or regular workplace
- must work outside normal business hours (for example, weekend or early morning shifts).

Example: home to work travel

Paul is a tiler. His employer provides him with a van which is fully equipped with the materials and tools Paul needs to carry out his duties. Paul drives his own car to his employer's head office each weekday where he picks up the work van. He then drives to his first job, in the van provided by his employer.

Paul can't claim a deduction for the cost of using his own car to travel between his home and his employer's head office (his regular place of work) each day. These are private expenses and are incurred to put Paul in the position to start work.

In limited circumstances, you can claim the cost of **trips between home and work**, such as where you carry bulky tools or equipment for work or where you had shifting places of employment.

To be able to claim a deduction for the cost of trips between home and work while carrying bulky tools or equipment, all the following conditions must be met:

- the tools or equipment are essential to perform your employment duties
- the tools or equipment are bulky, meaning that
  - because of the size and weight, they are awkward to transport
  - they can only be transported conveniently using a motor vehicle
- there is no secure storage for such items at the workplace.

It will not be sufficient if you transport the tools or equipment merely as a matter of choice. For example, if your employer provides secure storage, your decision to transport items home will be a matter of choice.

Example: transporting bulky tools and equipment

Matt is an electrician and is required to provide his own tools and equipment, including extension ladders, to perform his work duties. The extension ladders are awkward to transport because of their size so Matt can only transport them in his ute.

His employer doesn't supply a secure tool storage area at his workplace, so he must transport his bulky tools and equipment to and from work every day.

Matt can claim a deduction for the expenses he incurs to transport the extension ladders, along with his other tools and

equipment, between his home and work because he has met the following conditions:

- his tools and equipment, including the extension ladders are essential to perform his work duties
- the extension ladders and his other tools and equipment are bulky
- there is no secure storage at his workplace.

Example: storage is available

Claudia works as a plasterer on a large construction site that she drives to every workday. The construction site is fenced off and access is only granted by security stationed at the entrance. Each worker is provided with their own tool locker with a combination lock.

To perform her duties as a plasterer, Claudia requires several tools that when combined are large and heavy. The tool locker provided has plenty of space for Claudia to store her tools, however she chooses to take her tools home every day.

Although her tools are bulky, Claudia has a secure place to store them at the construction site. It is her personal choice to transport them between home and work each day.

Claudia can't a deduction for the cost she incurs to travel between home and work. The expenses are private.

You are considered to have shifting places of employment where you have no fixed place of work and you continually travel from one work site to another before returning home.

Example: different worksites each day

Hasan is a plumber and is required to travel to several worksites each day to provide quotes to clients and work on various jobs.

Hasan can claim a deduction for the car expenses he incurs travelling between his home and work and between worksites because he has no fixed place of work and continually travels from one work site another before returning home at the end of his working day.

Example: shifting workplaces

Sidney is an electrician and uses her own vehicle to travel to several sites each day. She carries a large extension ladder on her roof rack, a toolbox, reels of cable and boxes of switches to perform her work duties.

Sidney can claim a deduction for her vehicle expenses because she has shifting places of work. She can also claim a deduction because she transports bulky tools and equipment, which are essential to carry out her duties, between her home and work sites.

You can also claim a deduction for the cost of using your car when you drive:

- directly between separate jobs on the same day (provided neither of the workplaces is your home) – for example, travelling from your first job as an electrician to your second job as a TAFE teacher
- to and from an alternative workplace for the same employer on the same day – for example, driving between separate work sites for your employer
- from home directly to an alternative workplace – for example, travelling from home to meet a client at their premises which is not your regular work location.

Example: travelling between workplaces

> Jack is employed as carpenter. He constructs roof trusses in his employer's factory and then installs the trusses on location in the home being constructed for the client.
>
> Jack can claim a deduction for the expenses he incurs when he travels from the factory to a client's home.
>
> Jack can't claim a deduction for the expenses he incurs when he travels between his home and the factory as this is travel to and from his regular workplace. The expenses are private.

To claim a deduction, you must keep records of your car use. You must choose between the logbook method or the cents per kilometre method to work out your deduction if you:

- own the car
- lease the car (directly from the finance company)
- hire the car under a purchase agreement (with the car dealership or a finance company).

You don't own, lease or hire a car you use under a salary sacrifice or novated lease arrangement. This is because it's usually your employer leasing the car from the financing company and making it available for your use. You can't claim a deduction for car expenses but you can claim additional work-related expenses you incur that are associated with your work use of the car such as **parking and tolls**.

If you use the **logbook method**, you need to keep a valid logbook to help you work out the percentage of work-related use along with written evidence of all your car expenses.

If you use the **cents per kilometre** method, you can claim a set rate for each work-related kilometre travelled. The maximum number of kilometres you can claim under this method is 5,000. You must be able to show how you work out your kilometres and that they were work-related.

To claim a deduction in your tax return, include the amount of your claim at **Work-related car expenses**. The **Work-related car expenses calculator** can help you work out the amount you can claim as a deduction.

If you claim a deduction for your work-related car expenses using one of the above methods, you can’t claim any further deductions in the

same tax return for the same car. For example, petrol, servicing, decline in value or insurance costs.

You can't use the cents per kilometre or logbook methods to work out your claim for a:

- motorcycle or similar vehicle
- vehicle with a carrying capacity of one tonne or more (such as a ute)
- vehicle that can transport 9 passengers (including the driver) or more (such as a minibus).

For these vehicles, you can claim the actual expenses you incur for your work-related travel. This includes costs such as fuel, oil, insurance and loan interest along with the decline in value of the vehicle. You must keep receipts for all your expenses and records to show your work-related use of the vehicle. Although you aren't required to keep a logbook, it is the easiest way to calculate your work-related use of the vehicle.

To claim a deduction for actual expenses you incur for a vehicle not defined as a car, include the amount at **Work-related travel expenses**.

Example: vehicle other than a car

Amal is a concreter. He uses his own vehicle to drive from home to work sites and between work sites. The tools and equipment Amal carries are bulky.

Amal owns a vehicle with a gross vehicle mass of 2,402 kg and a kerb weight of 1,040 kg.

The payload or carrying capacity weight of Amal's vehicle is as follows:

2,402 kg − 1,040 kg = 1,362 kg

As the vehicle's payload or carrying capacity is greater than 1,000 kg (or one tonne), Amal's vehicle is considered to be a vehicle other than a car.

Amal can't claim using the logbook or cents per kilometre method. However, he can claim the work-related portion of his actual vehicle expenses.

Child care, school fees and other education expenses

You can't claim a deduction for the cost of **child care** (including school holidays and before and after school care) when you're working. It's a private expense, and the expenses have no direct connection to earning your income.

You can't claim a deduction for the cost of educating your children (or any other students) including school fees, university fees and TAFE fees. You also can't claim other expenses you incur for your children's education, for example, the decline in value of iPads, laptops or desks, calculators, notebooks and pens. These are private expenses that are not connected with earning your employment income.

Clothing and uniform expenses (including footwear)

With a few exceptions, clothing can't be deducted as a work-related expense.

You can't claim conventional clothing (including footwear) as a work-related expense, even if your employer requires you to wear it and you only wear these items of clothing at work.

'Conventional clothing' is everyday clothing worn by people regardless of their occupation – for example, jeans and drill shirts worn by tradespeople or apprentices.

You can claim a deduction for costs you incur to buy, hire, repair or replace clothing, uniforms and footwear you wear at work if it's in one of the following categories:

- **protective clothing** – clothing with protective features and functions to protect you from specific risks of injury or illness at work. For example, steel-capped boots, fire-resistant clothing, or overalls that protect conventional clothing. Conventional clothes you wear at work are not regarded as protective clothing if they lack protective

qualities designed for the risks of your work. This includes jeans, drill shirts, shorts, trousers, socks, closed shoes.

- **occupation-specific** – clothing that distinctly identifies you as a person with a particular profession, trade or occupation. For example, a judge's robes or a chef's chequered pants. Items traditionally worn in a profession are not occupation-specific where the clothing is worn by multiple professions. Tradespeople don't wear occupation-specific clothing.
- a **compulsory uniform** – clothing that your employer strictly and consistently enforces you wear by workplace agreement or policy and distinctly identifies either
  - you as an employee working for a particular employer
  - the products or services your employer provides
- a **non-compulsory uniform** – a uniform that is not compulsory to wear and that your employer registers on the Register of Approved Occupational Clothing.

You can’t claim a deduction if your employer buys, repairs or replaces your clothing, footwear or protective clothing.

Example: conventional clothing

Leila, an electrician, works on a building site. She wears jeans with t-shirts or long sleeve shirts at work as they are comfortable. While the jeans and shirts afford Leila some protection from skin abrasions, when handling tools and materials, they provide only limited protection from injury.

The jeans and shirts worn by Leila to work are commonly worn as conventional clothing and do not have protective features and functions designed to protect the wearer or cope with rigorous working conditions.

Leila can't claim a deduction for the cost of purchasing these items because they are conventional clothing.

Example: protective clothing

Rafael is employed as a painter and wears overalls when painting clients' homes. The overalls protect his conventional clothing from damage when performing his work duties.

The protective nature of the overalls means that Rafael can claim the cost of purchasing them.

Drivers licence

You can't claim a deduction for the cost to get or renew your **drivers licence**, even if you must have it as a condition of employment. This is a private expense.

You can claim a deduction for additional costs you incur to get a special licence or condition on your licence to perform your work duties. For example, the cost you incur to get a heavy vehicle permit.

You can't claim a deduction if your employer pays for or reimburses you for the cost to obtain a special license or condition.

Example: special licence

Tony is employed as a glazier. As well as installing the glass, he is required to deliver the glass to the site when he first commences a job. To transport the glass, Tony needs to have a drivers licence and a Medium Rigid licence.

During the income year, Tony renews his drivers licence and his Medium Rigid licence. Each licence renewal cost Tony $72 (total of $144).

Tony can't claim a deduction for the cost of renewing his drivers licence ($72). This is a private expense.

Tony can claim a deduction of $72 for renewing his Medium Rigid licence because it is an additional expense he incurs which is directly related to his employment duties.

Fines and penalties

You can't claim a deduction for any **fines or penalties** whether they are incurred in connection with work, or for any other reason. Fines may include parking and speeding fines or penalties. For example, a fine you receive for speeding on your way to work.

Example: fine

Raj is employed as a carpenter. While transporting materials to a job, which include long pieces of timber, he receives a fine for not having a red flag on the end of the timber. The fine is for $235.

Although Raj is transporting the materials for work purposes, he can’t claim a deduction for the fine.

First aid courses

You can claim a deduction for the cost of **first aid training courses** if you are both:

- a designated first aid person
- need to complete a first aid training course to assist in emergency work situations.

You can't claim a deduction if your employer pays for or reimburses you for the cost of the course.

For more tradesperson expenses, see:

- Tradesperson expenses G–O
- Tradesperson expenses P–S
- Tradesperson expenses T–W

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Tradesperson expenses G–O

Details on claiming tradesperson expenses.

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Glasses, contact lenses and anti-glare glasses

You can't claim a deduction for **prescription glasses or contact lenses**, even if you need to wear them while working these are private expenses.

You can claim a deduction for the cost of protective glasses if you wear them to reduce the real and likely risk of illness or injury while working. Protective glasses include anti-glare or photochromatic glasses, **sunglasses**, safety glasses or goggles.

You can only claim a deduction for the work-related use of the item.

Example: claiming safety glasses

Esme is an electrician. She must wear safety glasses when she is working so that her eyes are provided from electric arcs, flash burns and flying debris.

Esme buys a pair of safety glasses for $165 which meet the required safety standards. The safety glasses are only used for work purposes

Esme can claim a deduction of $165 for the safety glasses as they protect her eyes from the real and likely risk of injury while she is working.

Insurance of tools and equipment

You can claim a deduction for the cost to insure your **tools and equipment** to the extent that you use them for work-related purposes.

Laundry and maintenance

You can claim a deduction for **the cost you incur to wash, dry and iron clothing** you wear at work if it's:

- protective (for example, a hi-vis jacket)
- occupation specific and not a conventional, everyday piece of clothing such as jeans or general business attire
- a uniform either non-compulsory and registered by your employer on the Register of Approved Occupational Clothing or compulsory.

This also includes laundromat and dry-cleaning expenses.

To work out your laundry expenses, you can claim a rate of:

- $1 per load if it only contains clothing you wear at work from one of the categories above
- 50c per load if you mix personal items of clothing with work clothing from one of the categories above.

You can claim the actual costs you incurred for repairing and dry-cleaning expenses.

If your laundry claim (excluding dry-cleaning expenses) is $150 or less, you don't need to keep records but you will still need to calculate and be able to show how you worked out your claim. This isn't an automatic deduction.

Example: laundry expenses

Dante is employed as a commercial painter. His employer provides him with a compulsory uniform that has the company name and logo embroidered on it.

He washes and dries his uniforms in a separate load of washing 3 times a week. Dante works 40 weeks during the year. His claim of $120 for laundry expenses is worked out as follows:

> Number of claimable laundry loads per week x number of weeks = total number of claimable laundry loads
>
> 3 × 40 = 120
>
> Total number of claimable laundry loads x reasonable cost per load = total claim amount
>
> 120 × $1 = $120

As his total claim for laundry expenses is under $150, Dante doesn't have to keep written evidence of his laundry expenses. Although Dante doesn't require evidence to prove his claim for laundry, if asked, he will still be required to explain how he calculated his claim.

Licences, permits and cards

You can't claim the cost to your initial licence, regulatory permit, cards or certificates in order to get a job. For example, a builder's licence.

You can claim a deduction for the additional costs you incur to renew your licence, regulatory permit, card or certificate to continue to perform your work duties. For example, if you need to have a builder's licence to get your job, you can’t claim the initial cost of getting it. However, you can claim the cost to renew it during the period you are working.

Example: licence

Dinesh is employed as a plumber. To continue working as a plumber he must have a valid licence.

During the income year, Dinesh renews his plumber's licence. The renewal cost him $241.

Dinesh can claim a deduction of $241 for renewing his plumber's licence. The cost of renewing his licence is directly connected to Dinesh's employment duties and allows him to continue earning income from his current employment.

Meal and snack expenses

You can't claim for the cost of **food, drink or snacks** you consume during your normal working hours, even if you receive a meal allowance. These are private expenses.

You can claim:

- overtime meal expenses, but only if you buy and eat the meal while you are performing overtime and you receive an overtime meal

allowance under an industrial law, award or agreement

- the cost of meals you incur when you are travelling overnight for the purpose of carrying out your employment duties (**travel expenses**).

Example: meal expenses

Kai is employed as a site surveyor. His usual start time was 7 am but at least once a week Kai is required to start work at 5:30 am to set out grid markers after a concrete slab pour. He also works on Saturdays.

When he starts work at 5:30 am, Kai purchases breakfast after he has set out the grid markers. On Saturdays, he purchases breakfast and lunch during his working day and dinner on his way home.

Kai's employer doesn't pay him an overtime meal allowance when he starts work at 5:30 am or when he works on Saturdays.

Kai can't claim a deduction for the cost of his breakfast on the days he starts at 5:30 am. The expenses are private. He also can't claim a deduction for his breakfast, lunch and dinner on Saturdays. The expenses are private and are consumed during Kai's normal working hours or when he has finished work for the day.

Music streaming services, CDs, audio books or podcasts

You can't claim a deduction for the cost of music streaming services, CDs, audio books, podcasts or devices that you use at work. Even if they're used to keep you motivated or occupied at work, these items aren't essential to earning your income. They are private expenses.

Newspapers and other news services, magazines and professional publications

The cost of **newspapers, other news services and magazines** are generally private expenses and not deductible.

You can claim a deduction for the cost of buying or subscribing to a professional publication, newspaper, news service or magazine if you can show:

- a direct connection between your income earning activities and the content
- the content is specific to your employment and is not general in nature.

If you use the publication for work and private purposes, you can only claim the portion related to your work-related use.

Overtime meal expenses

You can claim a deduction for the cost of a meal you buy and eat **when you work overtime**, if all of the following apply:

- you receive an overtime meal allowance under an industrial law, award or agreement
- the allowance is on your income statement or payment summary as a separate allowance
- you include the allowance in your tax return as income.

You can't claim a deduction if the allowance is part of your salary and wages and not included as a separate allowance on your income statement or payment summary.

You generally need to get and keep written evidence, such as receipts, when you claim a deduction. However, each year we set an amount you can claim for overtime meal expenses without receipts. We call this the 'reasonable amount'. If you receive an overtime meal allowance, are claiming a deduction and spent:

- up to the reasonable amount, you don't have to get and keep receipts
- more than the reasonable amount, you must get and keep receipts for all your expenses.

In all cases, you need to be able to show:

- you spent the money
- how you worked out your claim.

Example: overtime meal expenses

Ash is a painter and is employed to paint a shopping centre. During the income year, he was required to work overtime on 15 occasions. Ash was paid an overtime meal allowance of $30.60 for each occasion he worked overtime.

Ash spent $22.00 on a takeaway meal each occasion he worked overtime which is less than the reasonable amount for the relevant year. At the end of the income year his income statement showed he received $459 in allowances which represented the 15 occasions he worked overtime × $30.60 the amount he received per occasion.

In his tax return, Ash correctly declared the $459 allowance as income and claimed a deduction of $22.00 × 15 = $330. This is the amount he actually spent on his overtime meals.

The amount Ash is claiming as a deduction is less than the Commissioner's reasonable amount so Ash doesn't have to keep written evidence. However, he will need to be able to show how he calculated his deduction and that he spent the money.

For more information, see **TD 2025/4** *Income tax: reasonable travel and overtime meal allowance expense amounts for the 2025–26 income year*.

For more tradesperson expenses, see:

- **Tradesperson expenses A–F**
- **Tradesperson expenses P–S**
- **Tradesperson expenses T–W**

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Tradesperson expenses P–S

Details on claiming tradesperson expenses.

Last updated 11 May 2026

Parking fees and tolls

You can't claim a deduction for parking at or near a regular place of work. You also can't claim a deduction for tolls you incur for trips between your home and your regular place of work. These are private expenses.

You can claim a deduction for **parking fees and tolls** on work-related trips.

Example: parking fees

Alisa is an industrial mechanic and drives her own car to work each day and parks in the secure parking lot next to the factory where she works.

Alisa can't claim the cost she incurs for parking at her regular place of work.

Example: tolls

Cheng is employed as a plumber. He doesn't have a regular place of work so at the start of each working day, Cheng's employer tells him where each of his jobs will be. He uses his own car to drive to his jobs.

When driving to his jobs, Cheng occasionally uses toll roads and bridges. Cheng pays for the tolls himself and his employer doesn't reimburse him for them.

Cheng can claim a deduction for the cost of the tolls he incurs while he is driving to his jobs. These toll expenses are incurred on work-related trips.

Phone, data and internet expenses

You can claim a deduction for the phone, data and internet costs for the work-related use of your own phone or electronic devices.

If your phone, data and internet use for work is incidental and you're not claiming more than $50 in total, you don't need to keep records.

If you claim more than $50, you need to keep written evidence of the total amount you incurred for phone, data and internet and records to show your work use. For example, an itemised bill where you can identify your work-related phone calls and data use.

You can’t claim a deduction if your employer:

- provides you with a phone for work and pays for the usage
- reimburses you for the costs you incur.

You can't claim a deduction for any phone calls to family and friends, even while you're travelling for work. This is because they are personal phone calls.

If all or part of your work-related phone, data and internet expenses are incurred as a result of **working from home** and you use the **fixed rate method** to claim your working from home deductions, you can't claim a separate deduction for these expenses.

For more information, see:

- **Mobile phone, mobile internet and other devices**
- **Home phone and internet expenses**

Example: work-related phone expenses

Harris is a roofer and he uses his personal mobile phone for work purposes. He is on a plan of $29 a month.

He receives an itemised bill from his phone provider each month which includes details of his individual phone calls.

At least once a year, Harris prints out his monthly bill and highlights his work-related phone calls. He also makes notes on the itemised bill about who he has phoned for example, his manager and clients.

Of the 150 calls he made in a 4-week period, Harris works out 45 (30%) of the phone calls are for work. He applies that percentage

to his monthly plan amount ($29 a month).

Harris calculates his phone calls for work purposes as follows:

> Total work phone calls ÷ total number of phone calls = work use percentage for phone calls
>
> 45 ÷ 150 = 0.30 (that is 30%)

Harris can claim 30% of the total bill of $29 for each month for work purposes, that is:

> $29 × 0.30 = $8.70

Since Harris was at work for 48 weeks of the year (11 months), he calculates his work-related mobile phone expense deduction as follows:

> 11 months × $8.70 = $95.70

Protective equipment and items

You can claim a deduction for the cost of **protective items** if you wear them to protect yourself from the real and likely risk of injury or illness in your work environment or while performing your work duties.

To be protective, the equipment must provide a sufficient degree of protection against the risks of illness or injury you are exposed to in carrying out your work duties. Protective items can include safety glasses, helmets and breathing masks.

For example, a glazier can claim a deduction for the cost of steel-capped boots, gloves and safety glasses.

You can't claim a deduction if your employer:

- supplies the protective items
- reimburses you for the cost you incur to buy protective items.

Example: protective items

Winnie works as a welder. She is required to wear a welding helmet, gloves and fire-retardant hood when performing her

work duties. If Winnie doesn't wear these items she is at risk of being injured.

The items are not provided by Winnie's employer so she buys the items herself. Each item cost less than $300.

There is a connection between the expense she incurs on the welding helmet, gloves and fire-retardant hood and the protection the items provide for her whilst she is working.

Winnie can claim a deduction for the cost of buying her welding helmet, gloves and fire-retardant hood in the year of income she buys them. If any of the items cost more than $300, Winnie would only be able to claim a deduction for the decline in value over the effective life of that item.

Repairs to tools and equipment

You can claim a deduction for repairs to **tools and equipment** you use for work. If you also use them for private purposes, you can only claim an amount for your work-related use.

Self-education expenses

You can claim a deduction for **self-education expenses** if they directly relate to your employment as a tradesperson or apprentice and at the time you incur the expense it:

- maintains or improves the skills and knowledge you need for your current duties
- results in or is likely to result in an increase in your income from your current employment.

You can't claim a deduction if the self-education expense if at the time you incur the expense it either:

- doesn't have a connection with your current employment
- only relates in a general way to your current employment
- enables you to get employment or change employment.

Example: study isn't relevant to current duties

David is studying a Certificate III in Carpentry while working as a timber salesperson. His duties as a salesman include finding out what clients need, quoting on timber supplies, organising payment and delivery of the timber.

The Certificate III in Carpentry will provide David with the knowledge and skills to construct, install, finish and repair structures, construct frames and walls and ceilings and construct pitched and advanced roofs and eaves.

After studying for 12 months, David's employer offers him a new role assembling timber frames on an understanding that he will continue his studies. His role requires him to accurately measure, cut and assemble timber components, set up equipment, load and unload materials and to adhere to drawings and specifications under the supervision of a qualified carpenter.

David can't claim deductions for his study expenses while employed as a salesperson. The Certificate III course doesn't improve the skills and knowledge David requires to be a timber salesman.

When David moves into his role assembling timber frames, David can claim deductions for his study expenses.

If your self-education expenses are deductible, you can claim expenses such as **course or tuition fees**, student and amenities fees, textbooks, academic journals and stationery expenses. You can also claim a deduction for depreciating assets that cost $300 or less or the decline in value of any depreciating assets which cost more than $300 that you use for your work-related study.

You can claim a deduction for transport expenses for:

- travel between your home and the place of education and then back home
- the first leg of the trip
  - when you travel from home to the place of education and then on to work

  - when you travel from work to a place of education and then home
- travel between work and the place of education and then back to work.

You can't claim a deduction if your employer pays your apprenticeship course fees outright or reimburses you upon completion of your course.

If you study at home, you may also be able to claim **work from home running expenses**, but not occupancy expenses.

You can't claim a deduction for the repayments you make on your study or training support loan. Study and training support loans include:

- Higher Education Loan Program (HELP)
  - FEE-HELP and
  - Higher Education Contribution Scheme-HELP (HECS-HELP)
- VET Student Loans (VSL)
- Australian Apprenticeship Support Loans (AASL)
- Student Financial Supplement Scheme (SFSS)
- Student Start-up Loan (SSL).

While course or tuition fees may be deductible, fees you incur under the HECS-HELP scheme are not deductible.

Seminars, conferences and training courses

You can claim a deduction for the cost of **seminars, conferences and training courses** that relate to your work as a tradesperson or apprentice.

The costs you can claim includes fares to attend the venue where the seminar, conference or training course is held and registration costs. If you need to travel and stay away from home overnight to attend such an event, you can also claim the cost of accommodation and meals.

You may not be able to claim all of your expenses if attending a seminar, conference or training course is for both work-related and private purposes. If the private purpose is incidental, such as a catered lunch or a reception for delegates, you can still claim all your expenses. However, if the main purpose is not work-related, such as attending a conference while on a holiday, you can only claim the direct costs. Direct costs include the registration costs.

Where you have a dual purpose for attending the seminar, conference or training course you can only claim the work-related portion. For example, you add a holiday of one week to a training course that runs for one week.

Example: training course expenses reimbursed

Harriette is a qualified electrician. Her employer intermittently requires her to attend training courses in order to keep up to date with developments in her field. Harriette's employer pays for her travel, accommodation, meals and incidental expenses when attending work-related conferences.

Harriette can't claim a deduction for any of these expenses as she didn't incur the costs.

Example: deductible conference expenses

Rohan is a carpenter. His employer sends him to a trade show to showcase the company's new range of cabinetry and to learn about any new trends in the industry. His employer pays for his flights and accommodation. However, Rohan is required to pay for his own meals whilst attending the trade show.

Rohan can't claim the cost of his flights and accommodation as he has not incurred these expenses. He can however claim a deduction for the expenses he incurs on meals, whilst attending the trade show.

Stationery

You can claim a deduction for the cost of logbooks, diaries, pens and notepads that you buy and use for work-related purposes.

Sunglasses, sunhats and sunscreen

You can claim a deduction for the work-related use of sunglasses **sunhats and sunscreen lotions** if you:

- must work outside in the sun for prolonged periods
- use these items to protect you from the real and likely risk of illness or injury while at work.

This includes prescription sunglasses and anti-glare glasses.

You can only claim a deduction for the work-related use of the products if you also wear them for private purposes.

Example: claiming sunhat and sunscreen

Nayla works as a concreter on a large-scale residential development. She is required to be outside working in the sun for extended periods to perform her work duties.

Nayla buys a broad brim sunhat and SPF 50 sunscreen which she only uses for work. She can claim a deduction for the costs of the sunhat and sunscreen lotion as they provide her protection from the sun whilst she is working outside.

For more tradesperson expenses, see:

- **Tradesperson expenses A–F**
- **Tradesperson expenses G–O**
- **Tradesperson expenses T–W**

Tradesperson expenses T–W

Details on claiming tradesperson expenses.

Last updated 11 May 2026

Tools and equipment

You can claim a deduction for **tools and equipment** you use to perform your duties as a tradesperson or apprentice. For example, a toolbox or a power drill.

You can only claim a deduction for your work-related use of the item.

If a tool or equipment cost you $300 or less, you can claim a deduction for it in the year you buy it, if:

- you use it mainly to produce non-business assessable income
- it's not part of a set that together cost more than $300
- it's not identical, or substantially identical to, other items that together cost more than $300.

You can claim a deduction for the cost over the life of the item (that is, decline in value), if the tool or equipment:

- cost more than $300
- is part of a set that together cost more than $300
- is identical, or substantially identical to, other items that together cost more than $300.

If you bought the tool or item of equipment part way through the year, you can only claim a deduction for decline in the value for the period of the income year that you own it. You also need to apportion your deduction if you use the item for private purposes. To work out your deduction use the **Depreciation and capital allowances tool**.

You can also claim a deduction for the cost of **repairs to tools and equipment** that you use for work purposes.

You can't claim a deduction for tools and equipment that your employer or a third party supplies for use.

If you're a new apprentice and you received government funded tools through your employer, you can't claim a deduction for the costs or decline in value of those tools.

Example: decline in value (no immediate deduction)

Anna needs a new set of 16 spanners for work. She can't afford to buy the complete set for $352, so she buys them individually throughout the income year.

Although they only cost $22 each, Anna can't claim an immediate deduction for each of the spanners. This is because they are part of a set she bought in the income year that cost more than $300.

Anna can claim a deduction for the decline in value of the spanner set over its effective life, which cost $352.

If in the following income year, Anna breaks one of the spanners and has to buy a replacement, she'll be able to claim an immediate deduction for the replacement. The replacement spanner will cost $300 or less and won’t be part of a set she bought in that income year that cost more than $300.

Example: effective life of an asset

Tal buys an electric hand tool on 5 September for $1,500. He only uses the tool for work purposes.

He checks the **Commissioner's determination** of the effective life of depreciating assets. The determination says the effective life of electric hand tools is 5 years.

Tal works out his deduction for the decline in value of his tool using the prime cost method, as follows:

(Asset cost × (days held ÷ 365) × (100% ÷ effective life))

If Tal used the electric hand tool for private purposes as well, he would have to multiply the amount calculated using the formula above by the work-related use percentage.

Tal works out that he has held the tool for 300 days and calculates his deduction for the decline in value as:

$1,500 × (300÷ 365) × (100% ÷ 5 years) = $246

Tal can claim a deduction of $246 for the decline in value of his tool set in the first year he buys it. Using the same method, he will also be able to claim $300 per year in the following 4 years and $54 in the final (sixth) year.

Travel expenses

You can claim a deduction for **overnight travel expenses** you incur when your work requires you to both:

- travel for work
- sleep away from your home overnight in the course of performing your employment duties.

Expenses you can claim include your accommodation, meals and expenses which are incidental to the travel (incidentals). For example, if you're required to travel interstate for a week to work on one of your employer's building projects.

You can't claim a deduction for travel expenses where you haven't incurred any expenses, because:

- you slept in accommodation your employer provides
- you eat meals your employer provides
- your employer or a third party reimburses you for any costs you incur.

You also can't claim a deduction if you aren't required to sleep away from your home overnight in the course of performing your employment duties. For example, if you fly interstate for work and return home the same day, or you choose to sleep near your workplace rather than returning home.

Receiving an allowance from your employer doesn't automatically mean you can claim a deduction. In all cases, you need to be able to show:

- you were away overnight

- you spent the money
- the travel directly relates to earning your employment income
- how you work out your claim.

If you receive a travel allowance you must include it as assessable income in your tax return unless all of the following apply:

- the travel allowance isn't on your income statement or payment summary
- the travel allowance doesn't exceed the Commissioner's reasonable amount (the reasonable amount is the amount we set each year for determining whether an exception from keeping written evidence applies for accommodation, meal and incidental expenses which are covered by a travel allowance)
- you spent the whole allowance on deductible accommodation, meal and incidental expenses (if applicable).

You must keep written evidence (such as receipts) for all your overseas accommodation expenses regardless of whether you receive an allowance. You don’t have to keep written evidence for other travel expenses if both of the following apply:

- you receive a travel allowance from your employer for the expenses
- your deduction is less than the Commissioner’s reasonable amount.

If you claim a deduction for more than the Commissioner’s reasonable amount you need to keep receipts for all your expenses, not just for the amount over the Commissioner’s reasonable amount.

Even if you are not required to keep written evidence such as receipts, you must be able to explain your claim and show you spent the amounts. For example, show your work diary, that you received and correctly declared your travel allowance and bank statements.

A **living-away-from-home allowance (LAFHA) is different from a travel allowance**. An allowance is a LAHFA if both of the following apply:

- your employment duties require you to live away from your normal residence
- some or all of the allowance is to compensate you for the additional non-deductible expenses and other additional disadvantages you incur because you have to live away from your normal residence.

A LAFHA is non-assessable non-exempt income, so it doesn't need to be included as income in your tax return.

Example: living away from home allowance

Joe is an employee project manager. He lives in the city with his family and applies for a job to work on a large construction project near a country town for 12 months.

Joe receives a living-away-from-home allowance (LAFHA) from his employer to meet his accommodation and meal costs while he is working in the country town.

As the LAFHA is non-assessable non-exempt income, it isn't shown on Joe's income statement and he doesn't have to include it as income in his tax return.

Joe can't claim a deduction for his accommodation and meal costs while living away for work. The expenses are private living expenses.

Example: choosing to sleep near workplace

Joe is a carpenter and lives in the city with his family. He applies for a job to work on a large construction project near a country town for 12 months, which he gets. Due to the distance between Joe's home and the project site, he stays in a motel during the week and returns home on weekends.

Joe can't claim a deduction for the cost of staying in a motel or for the cost of any food or drink he incurs while he is staying in the country town. The expenses are private living expenses. Joe has chosen to sleep near his workplace rather than returning home because of his personal circumstances, that is, he lives a long way from where he works.

Example: reasonable allowance amount

Antoni travels from Adelaide to Mt Gambier for a job and is away from home for 5 nights. His employer pays him a travel allowance of $110 per night to cover his accommodation, meals and incidentals. The allowance isn't shown on his income statement.

The travel allowance amount paid to Antoni is less than the reasonable allowance amount and he spends all of the travel allowance on his accommodation, meals and incidental expenses while he is in Mt Gambier.

Antoni doesn't include his allowance on his tax return because:

- it isn't shown on his income statement
- it's less than the reasonable allowance amount
- he spends it all to cover his travel expenses.

This means Antoni can't claim a deduction for his expenses in his tax return.

For more information, see TD 2025/4 *Income tax: reasonable travel and overtime meal allowance expense amounts for the 2025-26 income year*.

Union and professional association fees

You can claim a deduction for **union and professional association fees** you pay. You can use your income statement or payment summary as evidence of the amount you pay if it's shown on there.

Working from home expenses

You can claim a deduction for the additional running expenses you incur as a direct result of **working from home**. Running expenses may include electricity, phone and internet expenses, and the decline in value of equipment or furniture. You must:

- use one of the methods set out by us to calculate your deduction
- keep the records required for the method you choose.

There are some expenses you can't claim a deduction for as an employee, including:

- coffee, tea, milk and other general household items consumed while working from home which your employer may provide you at work
- expenses your employer pays for or reimburses you for, including setting up your home office
- the decline in value of items provided to you by your employer – for example, a laptop or a phone.

Generally as an employee, you can’t claim **occupancy expenses** (rent, rates, mortgage interest and house insurance premiums), unless part of your home is a 'place of business'.

The **Home office expenses calculator** helps you work out the amount you can claim as a deduction for home office expenses.

For more information, see

- PS LA 2001/6 *Verification approaches for electronic device usage expenses*
- TR 93/30 *Income tax: deductions for home office expenses*
- PCG 2023/1 *Claiming a deduction for additional running expenses incurred while working from home – ATO compliance approach*

For more tradesperson expenses, see:

- Tradesperson expenses A–F
- Tradesperson expenses G–O
- Tradesperson expenses P–S

Find out about Tradesperson:

- Income and allowances
- Record keeping for work expenses

QC 56093

Record keeping for work expenses

Records you need to keep as evidence of your expenses and exceptions to keeping some records.

Last updated 11 May 2026

To claim a deduction, you need to get and **keep records** to prove you incurred the expense. You will also need to be able to show how the expense relates to earning your employment income.

For a summary of work-related expense records, download Keeping records for work-related expenses (PDF, 331KB).

For most expenses you need written evidence, that is, a receipt or similar document from the supplier that shows all of the following:

- the name or business name of the supplier
- the amount of the expense or cost of the asset
- the nature of the goods or services that you purchase
- the date you purchase the goods or services
- the date the document was produced.

They must be in English where you incur the expense in Australia.

If your total claim for work-related expenses is more than $300, you must have written evidence for all of your claims. For some expenses, you might also need a record such as diary or similar document.

However, there are some **record keeping exceptions** available in some circumstances.

For information about the specific records you need for work-related expenses, see:

- **Actual cost method** for working from home expenses
- **Clothing, laundry and dry-cleaning expenses**
- **Computers, laptops and software**
- **Expenses for a car you own or lease**
- **Expenses for a vehicle that isn't yours or isn't a car**

- **Fixed rate method** for working from home expenses
- **Home phone and internet expenses**
- **Keeping travel expense records**
- **Mobile phone, mobile internet and other devices**
- **Overtime meal expenses**
- **Self-education expenses**
- **Taxi, ride-share and public transport expenses**
- **Tools and equipment to perform your work**

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 you prepare your tax return, or share them with a registered tax agent at tax time to make lodging your tax return easier.

Find out about employee tradespersons:

- **Income and allowances**
- **Deductions for work expenses**

QC 56093

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.

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