




# Tradesperson – income and work-related deductions

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

**Last updated** 22 May 2025

For a summary of common expenses, see [Tradesperson \(Tradies\) \(PDF, 415KB\)](#) .

## 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

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

# Income and allowances

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

Last updated 19 May 2025

## On this page

[Amounts you do and don't include](#)

[Allowances](#)

[Reimbursements](#)

## 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 as an estimate of costs you might incur:

- 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
- as an amount 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 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 a deductible work-related expense, to claim a deduction you:

- 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**

<b>Reason for allowance</b>	<b>Examples of allowance types</b>	<b>Deduction (Yes or No)</b>
<p><b>Compensation for an aspect of your work that is unpleasant, special or dangerous or for industry peculiarities</b></p>	<p>Industry allowances</p> <p>Underground allowance</p> <p>Electrician's licence allowance</p> <p>Multistorey allowance</p> <p>Laser operation allowance</p> <p>Carpenter-diver allowance</p> <p>Air-conditioning industry and refrigeration industry allowances</p> <p>In charge of plant allowances</p> <p>Inclement weather</p> <p>Computer quantities allowance</p> <p>Scaffolding and rigging certificate</p> <p>Leading hand allowance</p> <p>Grindstone allowance</p>	<p>No</p> <p>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</p>

<p><b>An amount for certain expenses</b></p>	<p>Award transport payment (motor vehicle allowance, fares allowance and other travelling time entitlements)</p> <p>Tool allowance</p> <p>Overtime meal allowance</p>	<p>Yes</p> <p>If you incur deductible expenses</p>
<p><b>An amount for special skills</b></p>	<p>A first aid certificate</p>	<p>Yes</p> <p>If you incur deductible expenses</p>

**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**

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:


- Deductions for work expenses
- Record keeping for work expenses

QC 56093

## Deductions for work expenses

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

**Last updated** 19 May 2025

For a summary of common expenses, see [Tradesperson \(Tradies\) \(PDF, 415KB\)](#) .

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 expenses was for both work and private purposes, you can only claim a deduction for the work-related use.

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 help you work out if you can or can't claim a deduction for other expenses, and the records you need, see **Employees guide for work expenses**.

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.

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

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

## 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.

## Tradesperson expenses T–W



Details on claiming tradesperson expenses.

QC 56093

# Tradesperson expenses A–F

Details on claiming tradesperson expenses.

Last updated 19 May 2025

### On this page

[Award transport payments \(fares allowance\)](#)

[Car expenses](#)

[Child care](#)

[Clothing and uniform expenses \(including footwear\)](#)

[Drivers licence](#)

[Fines and penalties](#)

## Award transport payments (fares allowance)

Allowances you receive from your employer for transport or car expenses that are paid under an award must be included in your tax return. These allowances are assessable income.

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 will need to be able to show how you work out your claim if we request this information. You don't need written evidence if your claim is less than the amount in the award as at 29 October 1986. If you're unsure of this amount, your union or employer can tell you.

### Example: deduction allowable more than Award amount

Chandra is a 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 substantiate the whole of his claim, not just the excess over \$7.60 per day.

### **Example: no deduction for transport expenses**

Michael is a carpenter employed permanently at a factory that manufactures kitchens. He does not transport bulky tools or equipment to work. Even though Michael is not 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
- have to work outside normal business hours (for example, weekend or early morning shifts).

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.

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.

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.

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 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.

Once you have calculated your 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, and insurance costs.

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.

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

- motorcycle
- vehicle with a carrying capacity of one tonne or more (such as a ute)
- vehicle that can transport 9 passengers 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: 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. Due to the size of the extension ladders, they are awkward to transport, and 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 them, 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 she requires several tools, that 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.

### **Example: tools and transport provided**

Paul's employer provides him with a van which is fully equipped with the materials and tools he needs to carry out his duties. Paul uses his own car to travel to his employer's head office 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 head office (his regular place of work) each day. These are private expenses.

### **Example: travelling between workplaces**

Jack and Bill are carpenters employed to construct roof trusses. They work on their designs from their employer's factory and then travel to install the trusses on location in the client's home.

Jack and Bill can claim a deduction for the cost of travel between the factory and their client's houses.

They can't claim a deduction for travel between their home and the factory as this travel is to and from their regular workplace. The expenses are private.

### **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 between her home and work sites.

### **Example: vehicle other than a car**

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:

$$2,402 \text{ kg} - 1,040 \text{ kg} = 1,362 \text{ kg}$$

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**

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.

## 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.
- **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, a trainee 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 there are conventional clothing.

### **Example: protective clothing**

Rafael is a painter and wears overalls when painting his client's 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.

## **Fines and penalties**

You can't claim a deduction for any **fin**es or **penalties** you get when you travel to work or during work. Fines may include parking and speeding fines or penalties. For example, a fine you receive for speeding on your way to work.

## 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

you as an employee working for a particular employer

QC 56093

## Tradesperson expenses G–O

Details on claiming tradesperson expenses.

**Last updated** 19 May 2025

### On this page

[Glasses, contact lenses and anti-glare glasses](#)

[Insurance of tools and equipment](#)

[Laundry and maintenance](#)

[Licences, permits and cards](#)

[Meal and snack expenses](#)

[Music streaming services, CDs, audio books or podcasts](#)

[Newspapers and other news services, magazines and professional publications](#)

[Overtime meal expenses](#)

## **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 protected 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.

We consider that a reasonable basis for working out your laundry claim is:

- \$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

$$3 \times 40 = 120$$

Total number of claimable laundry loads x reasonable cost per load = total claim amount

$$120 \times \$1 = \$120$$

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.

## 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).

## **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 and how you worked out your claim.

### **Example: overtime meal expenses**

Ash is a painter and was employed to paint a shopping centre. 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 \$12.00 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  $\times$  \$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  $\$12.00 \times 15 = \$180$ . 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 2024/3 Income tax: what are the reasonable travel and overtime meal allowance expense amounts for the 2024–25 income year?*

For more tradesperson expenses, see:

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

QC 56093

## Tradesperson expenses P–S

Details on claiming tradesperson expenses.

Last updated 19 May 2025

### On this page

[Parking fees and tolls](#)

[Phone, data and internet expenses](#)

[Protective equipment and items](#)

[Repairs to tools and equipment](#)

[Self-education expenses](#)

[Seminars, conferences and training courses](#)

[Stationery](#)

[Sunglasses, sunhats and sunscreen](#)

### 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 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.

## **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 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.

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 (mostly outgoing phone calls). 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

$45 \div 150 = 0.30$  (that is 30%)

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

$\$29 \times 0.30 = \$8.70$

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

$11 \text{ months} \times \$8.70 = \$95.70$

## 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 considered 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 incurred 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.

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 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.

### **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 deliver of 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.

## **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: conference expenses reimbursed**

Harriette is a qualified electrician. Her employer intermittently requires her to attend conferences 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 self-education expenses**

Rohan is a carpenter. His employer sends him to a trade show to showcase the company's new range of cabinetry. His employer pays for his flights and accommodation. However, Rohan was 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 as a concreter.

Nayla buys a broad brim sunhat and SPF 50 sunscreen which she only uses for work. She can claim a deduction for the costs to buy 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 20 May 2025

## On this page

[Tools and equipment](#)

[Travel expenses](#)

[Union and professional association fees](#)

[Working from home expenses](#)

## 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 the 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 needed a new set of 16 spanners for work. She couldn't afford to buy the complete set for \$352, so she bought 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 over the effective life of the set, which cost \$352.

If in a 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 because it will cost \$300 or less and won't be part of a set she bought in that 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 the deduction for the decline in value of his tool set using the prime cost method, as follows:

$$(\text{Asset cost} \times (\text{days held} \div 365) \times (100\% \div \text{effective life}))$$

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:

$$\$1,500 \times (300 \div 365) \times (100\% \div 5 \text{ years}) = \$246$$

Tal can therefore claim \$246 for the decline in value of his tool set in the first year. 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 **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 3 nights to attend a work-related conference, seminar or training course.

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 are not 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 is not 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.

### **Example: living at a location**

Joe is a carpenter. 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 can't claim a deduction for his accommodation and meal costs while living away for work. 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, he 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 travel expenses.

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 2024/3 Income tax: what are the reasonable travel and overtime meal allowance expense amounts for the 2024-25 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 may be able to claim a deduction for working from home expenses you incur as an employee. These can be additional running expenses such as electricity, the decline in value of equipment or furniture, phone and internet expenses. 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
- costs that relate to your children's education, for example, iPads, desks, subscriptions for online learning
- 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 your home is your '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** 20 May 2025

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 \(PDF, 999KB\)](#) .

For most expenses you need 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.

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.

## **Copyright notice**

© Australian Taxation Office for the Commonwealth of Australia

You are free to copy, adapt, modify, transmit and distribute this material as you wish (but not in any way that suggests the ATO or the Commonwealth endorses you or any of your services or products).

