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QC 80263

Car and travel expenses

How to claim deductions for car expenses in myTax when you receive award transport payments.

Last updated 26 June 2019

'Work-related car expenses' and 'work-related travel expenses' are expenses you incur in the course of performing your job as an employee.

You claim deductions for them at **Work-related car expenses** and **Work-related travel expenses**.

Complete **Work-related car expenses** for work-related expenses for a car you owned, leased or hired under a hire purchase agreement (and the expense is not a travel expense which you show at **Work-related travel expenses**). For more information, see [Work-related car expenses](#).

Complete **Work-related travel expenses** for the following work-related car and travel expenses:

- expenses for vehicles with a carrying capacity of one tonne or more, or nine or more passengers (for example, utility trucks and panel vans)
- expenses for motorcycles
- short-term car hire
- public transport fares
- bridge and road tolls

- parking fees
- taxi fares
- petrol, oil and repair costs relating to work-related travel you did in a car owned or leased by someone else
- meal, accommodation and incidental expenses you incurred while away overnight for work.

For more information, see [Work-related travel expenses](#).

Claiming a deduction for car expenses - award transport payments

Award transport payments are allowances covering either transport expenses or car-expense reimbursements that are paid under an industrial law or award that was in force on 29 October 1986. The car-expense reimbursement is calculated in respect of a certain number of kilometres.

Your union or employer can tell you how much the amount was as at 29 October 1986 – that is, the **award amount**.

Award transport payments are assessable income and you must include any payments as income on your tax return. If you have incurred:

- transport expenses covered by these payments, you claim a deduction at **Work-related travel expenses**
- car expenses covered by these payments, you claim your deduction at either **Work-related car expenses** or **Work-related travel expenses**.

If your claim for work-related transport or car expenses is no more than the award amount, make the claim at **Work-related travel expenses** on your tax return. You do not need written evidence.

If you also have a claim for any additional kilometres not covered by the award transport payment, you can make the claim at **Work-related car expenses** on your tax return but you can only use either the:

- logbook method (you will need written evidence)
- cents per kilometre method.

Claiming at Work-related travel expenses

If you are claiming no more than the award amount for transport expenses, make the claim at **Work-related travel expenses** (you do not need written evidence).

For your work-related car expenses claim, kilometres that are covered by the award transport payment and claimed at **Work-related travel expenses** on your tax return are not counted as business kilometres under either the 'cents per kilometre' or 'logbook' method. However, they are counted as part of the total kilometres travelled for the 'logbook' method. If you do not know how many business kilometres relate to your award transport payment, you can make a reasonable estimate.

Claiming at Work-related car expenses

Alternatively, you may choose not to limit any part of your claim for work-related car expenses to the award amount. If this is the case, make your claim at **Work-related car expenses** on your tax return (and do not claim car expenses covered by your award transport payment at **Work-related travel expenses**). When making your claim at **Work-related car expenses** on your tax return you can use either of the two methods to calculate your car expenses. Treat any work-related kilometres covered by the award transport payment as business kilometres. You will need to provide the written evidence required by the particular method you select.

If you need help applying this information to your own situation, phone us on **13 28 61**.

QC 59087

myTax 2019 Work-related car expenses

How to complete the work-related car expenses section of your return using myTax.

Last updated 26 June 2019

Work-related car expenses are expenses you incurred as an employee for a car you:

- owned
- leased, or
- hired under a hire-purchase agreement.

Essentials

Remember, to claim a work-related deduction:

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

If your total claim for work-related expenses is more than \$300, you must have written evidence to prove your claims.

You can claim

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

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

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

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

- from an alternative workplace that is not a regular workplace back to your normal workplace or directly home.

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

If you received an award transport payment, see [Claiming a deduction for car expenses - award transport payments](#).

If you have been claiming deductions for your car and, during the income year, you sold or disposed of it, or it was stolen or destroyed, you might need to make a balancing adjustment. Visit [If your car was sold, disposed of, stolen or destroyed](#) to learn more.

For claiming expenses for a car owned or leased by someone else, visit [Owned or leased by others](#).

See also

- [Deductions you can claim](#)
- [Taxation Ruling TR 95/34](#) *Income tax: employees carrying out itinerant work - deductions, allowances and reimbursements for transport expenses*
- [Travel between home and work and between workplaces](#)
- [Law Administration Practice Statement PS LA 1999/2](#) *Calculating joint car expense deductions*.

You cannot claim

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

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

somebody else.

Expenses relating to foreign employment income

If you received assessable income from your work as an employee outside Australia that is shown on a *PAYG payment summary - foreign employment*, you must claim any work-related car expenses you incurred in earning that income at this section.

Do not show at this section

- Any expenses relating to motorcycles and vehicles with a carrying capacity of one tonne or more, or nine or more passengers, such as a utility truck and panel van. Show these at **Travel expenses** in the **Deductions** section. Visit [Work-related travel expenses](#) to learn more.
- Deductions against any assessable foreign employment income not shown on a *PAYG payment summary - foreign employment*. Show these at **Foreign employment** in the **Foreign income, assets and entities** section.
- For any balancing adjustment, show:
 - losses at **Other work-related expenses** in the **Deductions** section
 - profits at the **Other income** section.

If you used the Depreciation and capital allowance tool, any balancing adjustment amount will be automatically shown.

Methods

You can use either the cents per kilometre method or the logbook method to claim your work-related car expenses.

Both methods require you to know or estimate your business kilometres. Business kilometres are the kilometres you travelled in the car in the course of earning assessable income (includes work-related activities).

If your claim for work-related car expenses is 5,000 business kilometres or less, you can choose either of the methods to work out

your work-related car expenses.

To claim work-related car expenses over 5,000 business kilometres, you must use the logbook method because under the cents per kilometre method, you can only claim up to 5,000 business kilometres.

Cents per kilometre

- Your claim is based on a set rate for each business kilometre.
- The rate is 68 cents per business kilometre.
- You can claim a maximum of 5,000 business kilometres per car, per year.
- You do not need written evidence, but you need to be able to show how you worked out your business kilometres.

Logbook

- Your claim is based on the business use percentage of the expenses for the car.
- Your business use percentage is the percentage of kilometres you travelled in the car for work during the year divided by the total kilometres travelled by the car during the year.
 - To work out your business use percentage, you need a logbook and the odometer readings for the [logbook period](#).
- Expenses include running costs and decline in value but not capital costs, such as the purchase price of your car, the principal on any money borrowed to buy it and any improvement costs. If you need to work out the decline in value of your car, see [Depreciation and capital expenses](#).
 - You can claim fuel and oil costs based on either your actual receipts or you can estimate the expenses based on odometer records that show readings from the start and the end of the period you had the car during the year.
- You need written evidence for all other expenses for the car.

For more information, see [Record keeping under logbook method](#).

Depreciation and capital expenses

A deduction may be available for a car's depreciation (or decline in value). If there is no connection between the car expenses and the earning of assessable income, no deduction will be allowed.

Depreciation deductions need to meet the following conditions:

- you must apportion your deduction to reflect the:
 - period you owned the car, and
 - percentage that the asset was used for work purposes.
- you must have directly incurred the cost of the asset and it was not reimbursed.

Remember:

- the car starts to decline in value from the day you first use it, even if you don't begin using it for work until a later time
- you can claim a deduction only for the period in the year in which you used the car for work.


For more information, see [Guide to depreciating assets](#).

If you leased a luxury car, see [Leased luxury cars](#).

You can use the **Depreciation and capital allowances tool** to work out any decline in value deduction as well as any deductible balancing adjustment when you stop holding a depreciating asset.

The tool can be accessed when you add your work-related car expenses and **Calculation method** is 'Logbook'.

The following video shows you how to use the Depreciation and capital allowances tool.

Media: How to use the Depreciation and capital allowance tool
<http://tv.ato.gov.au/ato-tv/media?v=bd1bdiuboi7hki>  (Duration: 3:56)

You can watch [How to use the Depreciation and capital allowance tool](#)  in full screen on atoTV.

Completing this section

You may need:

- written evidence for your car expenses (receipts, invoices or diary entries)
- your car logbook and odometer records.

We pre-fill your tax return with work-related car expense information you uploaded from myDeductions. Check for work-related car expenses not pre-filled and ensure you add them.

1. For each work-related car that has not been pre-filled, select **Add**.
2. Enter the description of the car (for example, make/model).
3. Select the **Calculation method** you wish to use.
 - If you qualify to use both methods, you can use whichever method gives you the largest deduction or is most convenient. You can enter each in myTax to work this out. If you do, remember to delete the one you don't want to use.
4. If you select the 'Cents per kilometre' method, enter the number of business kilometres you travelled. Go to Step 6.
5. If you select the 'Logbook' method enter the information into the corresponding fields. MyTax will calculate the total expenses.
 - If you have calculated the decline in value of your car, enter the amount without any reduction for personal use. MyTax will multiply the decline in value you enter by the percentage of business use.
 - If you used the Depreciation and capital allowances tool to work out the decline in value, the calculated amount will automatically exclude the personal use percentage. To display results from the tool you must select the logbook method.

6. Select **Save**.

7. Select **Save and continue** when you have completed the **Deductions** section.

Note: If you used the Depreciation and capital allowances tool, fields containing information from the tool cannot be directly adjusted in myTax. To make any adjustments to this information, or to add new

assets to the tool, select the 'Use the Depreciation and capital allowances tool' link.

Record keeping

Where required, keep written evidence of your car expenses. If you are using the logbook method, see [Record keeping under logbook method](#) to find out how to keep records.

Keep this evidence for five years from the due date for lodging your tax return. If you lodge your tax return after the due date, the five years start from the date you actually lodge it. If at the end of this period you are in a dispute with us that relates to this work expense, you must keep your records until the dispute is resolved.

There is more information on record keeping and written evidence in [Keeping your tax records](#).

Managing your deductions

Are you always on the go? Save time and keep your tax organised with the ATO app's [myDeductions](#) tool.

Further information

Record keeping under logbook method

Under this method, you need to:

- keep an electronic or pre-printed logbook (available from stationery suppliers)
- have evidence of your fuel and oil costs, or odometer readings on which your estimates are based
- have evidence for all your other car expenses.

If you're a sole trader with simple tax affairs, you can create a logbook and record business-related car trips using the [myDeductions](#) tool in the ATO app.

Logbook period

Your logbook is valid for five years. If this is the first year you are using this method, you must have kept a logbook during 2018–19. It must cover at least 12 continuous weeks – this period is called the logbook

period. If you started using your car for work-related purposes less than 12 weeks before the end of the year, you can extend the 12-week period into 2019–20. (If you are using the logbook method for two or more cars, the logbook for each car must cover the same period.)

If you established your business use percentage using a logbook from an earlier year, you need to keep that logbook and maintain odometer records. You also need to keep a logbook if we told you in writing to keep one.

What to record in your logbook

Your logbook must show:

- when the logbook period starts and ends, and the odometer readings at these times
- the total number of kilometres the car travelled during the logbook period
- the number of kilometres travelled for work during the logbook period based on the journeys recorded for the period
- the business use percentage for the period.

Entries in the logbook for each business trip made in the logbook period must be made at the end of the journey (or as soon as possible afterwards) and show the:

- date the journey began and ended
- odometer readings at the start and end of the journey
- kilometres travelled on the journey
- reason for the journey (this should be sufficiently descriptive to characterise it as a business journey).

Your records must also show the:

- make, model, engine capacity and registration number of the car
- odometer readings at the start and end of each subsequent income year your logbook is valid for.

If the pattern of your car use changed during the year, make a reasonable estimate of your business use percentage for the whole of 2018–19, taking into account your logbook, odometer and other records, any variations in the pattern of use of your car and any

changes in the number of cars you used in the course of earning your income.

MyTax will calculate your deduction from the information you provide.

Leased luxury cars

If you leased a luxury car and wish to claim a deduction at this section, the following information about luxury cars will help you.

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

You can claim a deduction for the decline in value of a leased luxury car (but not for other leased cars). The car can be new or second-hand. You must use the logbook method.

When claiming a deduction for decline in value, the initial value that you use for the car is the limit that applied in the income year in which the lease began.

Car limits for the past 10 years

Year	Limit
2018–19	\$57,581
2017–18	\$57,581
2016–17	\$57,581
2015–16	\$57,466
2014–15	\$57,466
2013–14	\$57,466
2012–13	\$57,466
2011–12	\$57,466
2010–11	\$57,466

2009–10	\$57,180
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Owned or leased by others

You cannot claim at this section any expenses relating to a car owned or leased by someone else, including your employer or another member of your family. However, we consider you to be the owner or lessee of a car and eligible to claim expenses where a family or private arrangement made you the owner or lessee even though you were not the registered owner. For example, you can claim for a car that was given to you by another member of your family and which, although it was not registered in your name, you used as your own and for which you paid all expenses.

If your car was sold, disposed of, stolen or destroyed

If you have been claiming deductions for your car and, during the income year, you sold or disposed of it, or it was stolen or destroyed, you might need to make a balancing adjustment. You do not need to make a balancing adjustment if you used only the 'cents per kilometre' method for calculating expenses for your car. You will need to make a balancing adjustment if you have used the '12% of original value' method to claim your car expenses for one or more earlier income years.

To work out the balancing adjustment, you can use the [Depreciation and capital expenses](#) or see [Guide to depreciating assets](#).

Any balancing adjustment amount will need to be shown as follows:

- if you had a loss after making the adjustment, at **Other work-related expenses**
- if you had a profit after making your adjustment, at **Other income**.

If you used the **Depreciation and capital allowances tool**, any balancing adjustment amount will automatically be shown at these sections.

You also make a balancing adjustment if you switched between methods to claim your car expenses. To work out the amount of the balancing adjustment in this situation, contact us or your recognised tax adviser.

QC 59092

myTax 2019 Work-related travel expenses

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

Last updated 26 June 2019

This section is about travel expenses you incur in performing your work as an employee. They include:

- public transport, air travel and taxi fares
- short-term car hire
- meal, accommodation and incidental expenses you incur while away overnight for work
- actual expenses such as petrol, repair and maintenance costs, that you incur to travel in a car that is owned or leased by someone else
- bridge and road tolls, and parking fees for
 - cars (do not claim these at 'Work-related car expenses')
 - motorcycles and vehicles with a carrying capacity of one tonne or more, or nine or more passengers
- expenses for motorcycles and vehicles with a carrying capacity of one tonne or more, or nine or more passengers, such as utility trucks and panel vans.

Essentials

Remember, to claim a work-related deduction:

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

If your total claim for work-related expenses is more than \$300, you must have written evidence to prove your claims.

You can claim

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

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

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

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

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

If you received an award transport payment, see [Claiming a deduction for car expenses - award transport payments](#)

To claim meal, accommodation and incidental expenses incurred when you travelled away overnight for work you must:

- have been required to travel as part of performing your work duties
- only be working away from home for a relatively short period or periods of time (not living away from home)
- not have incurred the expenses because of a choice you made about where to live

- have a permanent home at a location away from the work location to which you are travelling
- have paid the expenses yourself and not been reimbursed for them.

If you wish to claim meal, accommodation and incidental expenses you incurred when you travelled away overnight for work, then use the following tables to determine what evidence you need.

Note: A travel diary is a document in which you record the nature, dates, places, times and duration of your activities and travel

Table 1: Travel expense records (domestic and overseas)

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

not exceed the reasonable allowance amount and the travel was 6 or more nights in a row.	accommodation expenses but not for food, drink and incidentals	For overseas travel – Yes
You received a travel allowance, your claim exceeds the reasonable allowance amount and the travel was less than 6 nights in a row.	Yes	No
You received a travel allowance, your claim exceeds the reasonable allowance amount and the travel was 6 or more nights in a row.	Yes	Yes

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

If your employer provided a car for you or your relatives' exclusive use (including under a salary sacrifice arrangement) and you or your relatives were entitled to use it for non-work purposes, you cannot claim a deduction for work-related expenses for operating the car, such as petrol, repairs and other maintenance. This is the case even if the expenses relate directly to your work. However, you can claim expenses such as parking, bridge and road tolls for a work-related use of the car. Parking at or travelling to a regular workplace is not ordinarily considered to be a work-related use of the car.

See also

- [Deductions you can claim](#)

- Travel deductions for employees, see draft [Taxation Ruling TR 2017/D6](#) *Income tax and fringe benefits tax: when are deductions allowed for employees' travel expenses?*
- shifting places of employment, see [Taxation Ruling TR 95/34](#) *Income tax: employees carrying out itinerant work - deductions, allowances and reimbursements for transport expenses.*

Reasonable allowance amounts

If your travel allowance was not shown on your income statement/payment summary and was equal to or less than the reasonable allowance amount for your circumstances, you do not have to include the allowance as income if:

- you have fully spent the allowance on deductible work-related travel expenses and
- you are not claiming a deduction for these expenses.

For information on the reasonable allowance amounts, see [Taxation Determination TD 2018/11](#) together with [Taxation Ruling TR 2004/6](#).

You cannot claim

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

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

Depreciation and capital expenses

A deduction may be available for depreciation (or decline in value) of motorcycles and vehicles with a carrying capacity of one tonne or more, or nine or more passengers, at 'Work-related travel expenses'. If there is no connection between the motorcycle, or vehicle expenses, and the earning of assessable income, no deduction will be allowed.

Depreciation deductions need to meet the following conditions:

- you must apportion your deduction to reflect the percentage that the asset was used for work purposes
- you must have directly incurred the cost of the asset and it was not reimbursed.

You can use the **Depreciation and capital allowances tool** to work out any decline in value deduction as well as any deductible balancing adjustment when you stop holding a depreciating asset.

The tool can be accessed in the **Deductions** section on the **Prepare return** screen.

Expenses relating to foreign employment income

If you received assessable income from your work as an employee outside of Australia that is shown on a *PAYG payment summary - foreign employment*, you must claim any work-related travel expenses you incurred in earning that income at this section.

Do not show at this section

- Expenses (apart from bridge and road tolls, and parking fees) relating to a car you owned, leased or hired under a hire purchase agreement where the expense is **not** related to motorcycles and vehicles with a carrying capacity of one tonne or more, or nine or more passengers, such as a utility truck and panel van. Show these at **Car expenses** in the **Deductions** section. Visit [Work-related car expenses](#) to learn more.
- Deductions against any assessable foreign employment income that is not shown on a *PAYG payment summary - foreign employment*. Show these at **Foreign employment** in the **Foreign income, assets and entities** section.
- For any balancing adjustment, show:

- losses at **Other work-related expenses** in the **Deductions** section
- profits at the **Other income** section.

If you used the Depreciation and capital allowance tool, any balancing adjustment amount will be automatically shown.

Completing this section

You must have written evidence for the whole of your claim.

We pre-fill your tax return with work-related travel expense information you uploaded from myDeductions. Check for work-related travel expenses not pre-filled and ensure you add them.

1. For each work-related travel expense not pre-filled in your tax return, select **Add** and:
 - enter **Your description**. To assist in record keeping, add a short description of your expense
 - enter the **Amount**.
2. Select **Save**.
3. Select **Save and continue** when you have completed the **Deductions** section.

Note: If you used the Depreciation and capital allowances tool, fields containing information from the tool cannot be directly adjusted in myTax. To make any adjustments to this information, or to add new assets to the tool, select the 'Use the depreciation and capital allowances tool' link.

Record keeping

Make sure you keep accurate records of work-related travel to make future claims.

There is more information on record keeping and written evidence in [Keeping your tax records](#).

Managing your deductions

Are you always on the go? Save time and keep your tax organised with the ATO app's [myDeductions](#) tool.

QC 59105

myTax 2019 Work-related clothing, laundry and dry-cleaning expenses

How to complete the work-related clothing expenses section of your return using myTax.

Last updated 26 June 2019

You may be able to claim work-related clothing expenses such as:

- protective clothing
- uniforms
- occupation-specific clothing
- laundering and dry-cleaning of this clothing

Essentials

Remember, to claim a work-related deduction:

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

If your total claim for work-related expenses is more than \$300, you must have written evidence to prove your claims.

You can claim

You can claim the cost of a work uniform that is distinctive (such as one that has your employer's logo permanently attached) and must be:

- a **non-compulsory uniform** your employer has registered with AusIndustry (check with your employer if you are not sure)

- a **compulsory uniform** that is either a set of clothing or a single item identifying you as an employee of an organisation – there must be a policy enforcing its use. This may include shoes, stockings, socks and jumpers if they are an essential part of a distinctive, compulsory uniform and the colour, style and type are specified in your employer's policy.

You can also claim the cost of:

- clothing that is specific to your occupation, is not everyday in nature and allows the public to easily recognise your occupation – such as the checked pants a chef wears.
- **protective clothing and footwear** protecting you from the risk of illness or injury, or preventing damage to your ordinary clothes caused by your work or work environment – items may include fire-resistant clothing, sun protection clothing, safety-coloured vests, non-slip nurse's shoes, steel-capped boots, gloves, overalls, aprons, and heavy duty shirts and trousers.

You can also claim the cost of renting, repairing and cleaning any of the above work-related clothing.

For more information, see [Deductions you can claim](#).

You cannot claim

You cannot claim the cost of purchasing or cleaning plain uniforms or clothes, such as black trousers, white shirts, suits or stockings, even if your employer requires you to wear them.

Depreciation and capital expenses

Individual taxpayers generally can't immediately deduct spending on assets costing more than \$300; instead you claim the cost over time, reflecting the asset's depreciation (or decline in value).

Depreciation claims need to meet the following conditions:

- you must apportion your claim to reflect the percentage that the asset was used for work purposes.
- you must have directly incurred the cost of the asset and it was not reimbursed.

Examples of uniforms and occupation-specific clothing costing more than \$300 include chemical protective clothing or biological hazard clothing.

You can use the **Depreciation and capital allowances tool** to work out any decline in value deduction as well as any deductible balancing adjustment when you stop holding a depreciating asset.

The tool can be accessed in the **Deductions** section on the **Prepare return** screen.

Expenses relating to foreign employment income

If you received assessable income from your work as an employee outside Australia shown on a *PAYG payment summary – foreign employment*, you must claim any work-related clothing expenses you incurred in earning that income at this section.

Do not show at this section

Do not show the following at this section:

- The cost of protective equipment, such as hard hats and safety glasses. Show these at **Other work-related expenses** in the **Deductions** section.
- Deductions against any assessable foreign employment income not shown on an income statement/*PAYG payment summary - foreign employment*. Show these at **Foreign employment** in the **Foreign income, assets and entities** section.
- For any balancing adjustment, show:
 - losses at **Other work-related expenses** in the **Deductions** section.
 - profits at the **Other income** section.

If you used the Depreciation and capital allowance tool, any balancing adjustment amount will be automatically shown.

Completing this section

You will need:

- receipts, invoices or other written evidence
- diary records of your laundry costs if
 - the amount of your laundry expenses claim is greater than \$150, and
 - your total claim for work-related expenses exceeds \$300 – the \$300 does not include car and meal allowance, award transport payments allowance and travel allowance expenses.

If you did washing, drying or ironing yourself, you can use a reasonable basis to calculate the amount, such as \$1 per load for work-related clothing or 50 cents per load if other laundry items were included.

We pre-fill your tax return with work-related clothing, laundry and dry-cleaning expense information you uploaded from myDeductions. Check for work-related clothing, laundry and dry-cleaning expenses not pre-filled and ensure you add them.

1. For each work-related clothing, laundry and dry-cleaning expense not pre-filled in your tax return, select **Add**.
2. Select the **Clothing type** and enter the amount.
3. Select **Save**.
4. Select **Save and continue** when you have completed the **Deductions** section.

Note: If you used the Depreciation and capital allowances tool, fields containing information from the tool cannot be directly adjusted in myTax. To make any adjustments to this information, or to add new assets to the tool, select the 'Use the depreciation and capital allowances tool' link.

Record keeping

Make sure you keep accurate records of work-related uniform, clothing and laundry expenses to make future claims.

There is more information on record keeping and written evidence in [Keeping your tax records](#).

Managing your deductions

Are you always on the go? Save time and keep your tax organised with the ATO app's myDeductions tool.

QC 59116

myTax 2019 Work-related self-education expenses

How to complete the self-education expenses section of your return using myTax.

Last updated 26 June 2019

You may be able to claim self-education expenses that are related to your work as an employee, and that you incur when you do a course to get a formal qualification from a school, college, university or other place of education.

Essentials

Remember, to claim a work-related deduction:

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

If your total claim for work-related expenses is more than \$300, you must have written evidence to prove your claims.

When can you claim?

Self-education expenses are deductible when the course you undertake leads to a formal qualification and meets the following conditions:

The course must have a sufficient connection to your current work activities as an employee and:

- maintain or improve the specific skill or knowledge required in your current work activities or
- result in, or was likely to result in, an increase in income from your current work activities.

You **cannot** claim a deduction for self-education expenses for a course that does not have a sufficient connection to your current work activities even though it:

- might be generally related to it, or

enables you to get new employment. If you meet the conditions, you can claim the following self-education expenses:

- your expenses such as textbooks, stationery, student union fees, student services and amenities fees, course fees, and the decline in value of your computer (apportioned depending on private use and use for self-education)
- accommodation and meals (where course requirements require you to be away from home overnight)
- your tuition fees payable under:
 - [FEE-HELP](#)
 - [VET FEE-HELP](#)
 - [VET Student Loans](#)
- self-education expenses you paid with your [OS-HELP](#) loan
- expenses for your travel in either direction between
 - your home and your place of education
 - your workplace and place of education.

Note: Only the first leg of the trip is deductible if you went from home to your place of education and then to work, or the other way around. However, you may be able to offset the cost of the last leg of your travel against the [\\$250 reduction](#).

See also

- [Deductions you can claim](#)
- [Taxation Ruling TR 98/9](#) *Income tax: deductibility of self-education expenses incurred by an employee or a person in business.*

You cannot claim

- Any deductions against government assistance payments, including Austudy, ABSTUDY and youth allowance.

- For contributions you, or the Australian Government, make under HECS-HELP or repayments you make under the Higher Education Loan Program (HELP), the Student Financial Supplement Scheme (SFSS), the Student Startup Loan (SSL) or the Trade Support Loans Program (TSL).

\$250 reduction

Self-education expenses are broken into [five categories](#). If all of your self-education expenses are 'category A' items then your deduction is reduced by \$250.

However, 'category E' items can be used to offset the \$250.

myTax works this out for you. If you would like to see how myTax works this out, see [Calculated total](#).

Depreciation and capital expenses

Individual taxpayers generally can't immediately deduct spending on assets costing more than \$300; instead you claim the cost over time, reflecting the asset's depreciation (or decline in value).

Depreciation claims need to meet the following conditions:

- you must apportion your claim to reflect the percentage that the asset was used for work purposes.
- you must have directly incurred the cost of the asset and it was not reimbursed.


For more information, see [Guide to depreciating assets](#).

You can use the **Depreciation and capital allowances tool** to work out any decline in value deduction as well as any deductible balancing adjustment when you stop holding a depreciating asset.

The tool can be accessed when you add your self-education expenses and

- **Category type** is 'Decline in value', or
- **Category type** is 'Car expenses' and **Calculation method** is 'Logbook'.

This video shows how to use the Depreciation and capital allowances tool.

Media: How to use the Depreciation and capital allowance tool
<https://tv.ato.gov.au/ato-tv/media?v=bd1bdiuboi7hki>  (Duration: 03:18)

You can watch [How to use the Depreciation and capital allowance tool](#)  in full screen on atoTV.

Expenses relating to foreign employment income

If you received assessable income from your work as an employee outside of Australia that is shown on an income statement or a *PAYG payment summary - foreign employment*, you must claim any work-related self-education expenses you incurred in earning that income at this section.

Do not show at this section

Do not show the following at this section:

- Formal education courses provided by professional associations, seminars, education workshops or conferences connected to work. Show these at **Other work-related expenses** in the **Deductions** section.
- Deductions against any assessable foreign employment income that is not shown on an income statement or a *PAYG payment summary - foreign employment*. Show these at **Foreign employment** in the **Foreign income, assets and entities** section.
- For any balancing adjustment, show:
 - losses at **Other work-related expenses** in the **Deductions** section.
 - profits at the **Other income** section.

If you used the Depreciation and capital allowance tool, any balancing adjustment amount will be automatically shown.

Completing this section

To complete this section, you will need written evidence such as a diary, logbook or receipts.

We pre-fill your tax return with work-related self-education expense information you uploaded from myDeductions. Check for work-related self-education expenses not pre-filled and ensure you add them.

For each work-related self-education expense that has not been pre-filled in your tax return, select **Add**.

1. Select the **Self-education type** that best describes your circumstances at the time you incurred the expenses.
2. From the [five categories](#), select the **Category type** and:
 - enter **Your description**. To assist in record-keeping, add a short description of your expense.
 - for **General expenses, Repair expenses** and **Non-deductible expenses** enter your **Amount**.
 - for **Decline in value** enter your **Decline in value**, or use the Depreciation and capital allowances tool to calculate your decline in value amount.
 - for **Car expenses** select the **Calculation method** you wish to use.

If you qualify to use both methods, you can use whichever method gives you the largest deduction or is most convenient. You can enter each in myTax to work this out. If you do, remember to delete the one you don't want to use. For more information on car expenses calculation methods, see [Work-related car expenses](#).

 - If you select the 'Cents per kilometre' method, enter the number of business kilometres you travelled.
 - If you select the 'Logbook' method, enter the information into the corresponding fields. MyTax will calculate the total car expenses.

If you have calculated the decline in value of your car, enter the amount without any reduction for personal use. MyTax will multiply the decline in value you enter by the percentage of business use.

If you used the Depreciation and capital allowances tool to work out the decline in value, the calculated amount will automatically exclude the personal use percentage. To display results from the tool you must select the logbook method.

3. Select **Save** – myTax will work out the total amount you can claim. In working out what you can claim, certain costs are reduced by \$250. For more information, see [Calculated total](#).
4. Select **Save and continue** when you have completed the **Deductions** section.

Note: If you used the Depreciation and capital allowances tool, fields containing information from the tool cannot be directly adjusted in myTax. To make any adjustments to this information, or to add new assets to the tool, select the 'Use the depreciation and capital allowances tool' link.

Record keeping

Make sure you keep accurate records of work-related self-education expenses to make future claims.

There is more information on record keeping and written evidence in [Keeping your tax records](#).

Managing your deductions

Are you always on the go? Save time and keep your tax organised with the ATO app's [myDeductions](#) tool.

Further information

Five categories

The following table show five categories of expenses, the **Category type** from myTax and the types of self-education expenses to include in each.

Self-education expense categories

Row	Category type	Explanation
A	General expenses and Car expenses where Calculation method is	General expenses that are deductible, including textbooks, stationery, student union fees, student services and amenities

	'Logbook' (other than 'Decline in value' amounts)	<p>fees, course fees and public transport fares.</p> <p>Also includes car expenses (other than 'Decline in value' amounts) worked out under the 'Logbook' method.</p>
B	<p>Decline in value</p> <p>and</p> <p>Car expenses where Calculation method is 'Logbook' (only 'Decline in value' amounts)</p>	<p>Deductions for the decline in value of depreciating assets used for self-education, including computers.</p> <p>Also includes 'Decline in value' amounts for car expenses worked out under the Logbook method.</p>
C	Repair expenses	Expenses for repairs to items of equipment used for self-education.
D	Car expenses where Calculation method is 'Cents per kilometre'	<p>Car expenses related to your self-education for which you are claiming deductions under the 'Cents per kilometre' method.</p> <p>If you have included deductions for the decline in value of or repairs to your car under Category type 'Decline in value' or 'Repair expenses', you cannot claim car expenses under this category.</p>
E	Non-deductible expenses	<p>Expenses you have incurred but cannot use as a deduction – for example:</p> <ul style="list-style-type: none"> • travel expenses for the last leg of your travel if you went from home to your place of education and then to work, or the other way around

		<ul style="list-style-type: none"> • child care costs related to attendance at lectures or other self-education activities • capital costs of items acquired in the financial year and used for self-education purposes, such as a computer or desk. <p>Do not include contributions you made under HECS-HELP or repayments under HELP, SFSS, SSL or TSL.</p>
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Calculated total

myTax works out the total amount you can claim for your work-related self-education expenses from the information you provide. If you would like to see how myTax works this out, use this worksheet.

The worksheet adds up your self-education expenses under the following categories because, in working out what you can claim, certain costs are reduced by \$250.

Worksheet

Row	Category type	Amount
A	General expenses and Car expenses where Calculation method is 'Logbook' (other than 'Decline in value' amounts)	\$
B	Decline in value and Car expenses where Calculation method is 'Logbook' (only 'Decline in value' amounts)	\$

C	Repair expenses	\$
D	Car expenses where Calculation method is 'Cents per kilometre'	\$
E	Non-deductible expenses	\$

If you had any row **A** expenses, go to step 2. Otherwise, read on.

Row	Calculation	Amount
F	Add rows B, C and D .	\$

The amount at row **F** is the total amount you can claim for your work-related self-education expenses.

Step 2

Row	Calculation	Amount
G	Add rows C, D and E .	\$

If the amount at row **G** is less than \$250, go to step 3. Otherwise, read on.

Row	Calculation	Amount
H	Add rows A, B, C and D .	\$

The amount at row **H** is the total amount you can claim for your work-related self-education expenses.

Step 3

Row	Calculation	Amount
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I	Take the amount at row G away from \$250.	\$
J	Take the amount at row I away from your category A amount. If the result is zero or less, write 0	\$
K	Add rows B, C and D .	\$
L	Add rows K and J .	\$

The amount at row **L** is the total amount you can claim for your work-related self-education expenses.

Glossary

FEE-HELP provides assistance to eligible fee-paying students, who are not supported by the Commonwealth, to pay tuition fees.

VET FEE-HELP provides assistance to eligible full-fee paying students doing vocational education and training (VET) accredited courses with an approved VET provider.

VET Student Loans provide assistance to eligible full-fee paying students doing vocational education and training (VET) accredited courses with an approved VET provider.

OS-HELP is a loan to cover expenses for eligible Commonwealth supported students who wish to study overseas towards their Australian higher education award.

QC 59115

myTax 2019 Other work-related expenses

How to claim other work-related expense deductions when you lodge your return using myTax.

Last updated 26 June 2019

This section is about any other work-related expenses you incurred as an employee and have not already claimed anywhere else on your tax return.

Essentials

Remember, to claim a work-related deduction:

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

If your total claim for work-related expenses is more than \$300, you must have written evidence to prove your claims.

You can claim


Other work-related expenses include:

- union fees and subscriptions to trade, business or professional associations
- overtime meal expenses, provided that
 - you received a genuine overtime meal allowance from your employer that was paid under an industrial law, award or agreement
 - you purchased and consumed a meal during your overtime
 - you have included the amount of the meal allowance as income at **Salary, wages, allowances, tips, bonuses etc** in the **Income statements and payment summaries** section and
 - if your claim was more than \$30.60 per meal, you have written evidence such as receipts, that shows the cost of the meals. (An amount for overtime meals that has been included as part of your normal salary and wages – for example, under a workplace agreement – is not an overtime meal allowance.)
- professional seminars, courses, conferences and workshops
- reference books, technical journals and trade magazines

- the work-related portion of tools and equipment and professional libraries; you may be able to claim an immediate deduction for an item that cost \$300 or less; otherwise, you claim a deduction for the decline in value of an item over its effective life; for more information, see [Guide to depreciating assets](#)
- the work-related portion of items that protect you from the risk of injury or illness posed by your work or your work environment, such as hard hats, safety glasses and sunscreens (but not protective clothing and footwear, which you claim at **Work-related uniform, occupation specific or protective clothing** in the **Deductions** section.)
- the work-related portion of the following costs
 - interest on money borrowed to buy a computer
 - repair costs for the computer
 - the decline in value of the computer (you may need to make a balancing adjustment if you no longer own or use the computer and you previously claimed a deduction for its decline in value; for more information, see [Guide to depreciating assets](#))
 - internet access charges
 - phone calls
 - phone rental if you can show you were on call or were regularly required to phone your employer or clients while away from your workplace
 - the decline in value of your home office furniture and fittings
 - home office heating, cooling, lighting and cleaning costs.

For your home office expenses, you can either:

- keep a diary of the details of your actual costs and your work-related use of the office
- use a fixed rate of 52 cents per hour for heating, cooling, lighting and the decline in value of furniture in your home office.

To work out your claim, you can use the [Home office expenses calculator](#) .

See also

- [Deductions you can claim](#)
- [Taxation Ruling TR 93/30](#) *Income tax: deductions for home office expenses*
- [Taxation Ruling TR 2003/16](#) *Income tax: deductibility of protective items*
- [Taxation Ruling TR 2004/6](#) *Income tax: substantiation exception for reasonable travel and overtime meal allowance expenses*
- [Law Administration Practice Statement PS LA 2001/6](#) *Home office and electronic device expenses*
- [Law Administration Practice Statement PS LA 2005/7](#) *Substantiating an individual's work-related expenses.*

You cannot claim

You cannot claim a deduction for:

- the cost of entertainment, fines and penalties
- private expenses, such as child care expenses and fees paid to social clubs
- the decline in value of laptops, portable printers, personal digital assistants, calculators, mobile phones, computer software, protective clothing, briefcases and tools of trade primarily for use in your employment if the item was provided to you by your employer, or some or all of the cost of the item was paid or reimbursed by your employer, and the benefit was exempt from fringe benefits tax.

Generally, you cannot claim a deduction for occupancy expenses such as rent, rates, mortgage interest and insurance.

Depreciation and capital expenses

Individual taxpayers generally can't immediately deduct spending on assets costing more than \$300; instead you claim the cost over time, reflecting the asset's depreciation (or decline in value).

Depreciation claims need to meet the following conditions:

- you must apportion your claim to reflect the percentage that the asset was used for work purposes


- you must have directly incurred the cost of the asset and it was not reimbursed.

For more information, see [Guide to depreciating assets](#).

You can use the **Depreciation and capital allowances tool** to work out any decline in value deduction as well as any deductible balancing adjustment when you stop holding a depreciating asset.

The tool can be accessed when you add your other work-related expenses.

The following video shows you how to use the Depreciation and capital allowances tool.

Media: How to use the Depreciation and capital allowance tool <http://tv.ato.gov.au/ato-tv/media?v=bd1bdiuboi7hki>  (Duration: 3:56)

You can watch [How to use the Depreciation and capital allowance tool](#)  in full screen on atoTV.

For further information about depreciation and assets you may be able to claim for, see [Guide to depreciating assets](#).

Expenses relating to foreign employment income

If you received assessable income from your work as an employee outside of Australia that is shown on an income statement/*PAYG payment summary - foreign employment*, you must claim any work-related expenses you incurred in earning that income at this section provided you have not already claimed the expense at another section.

Do not show at this section

Do not show the following at this section:

- If you received assessable foreign employment income that is not shown on an income statement/*PAYG payment summary - foreign employment* you must claim your deductions against that income at the **Foreign income, assets and entities** section and select **Foreign employment**.
- Any balancing adjustment profit. Show this at the **Other income** section. If you used the Depreciation and capital allowances tool,

the amount will automatically be shown at this section.

Completing this section

You may need:

- statements from your bank, building society or credit union
- receipts, invoices or written evidence from your supplier or association
- other written evidence.

We pre-fill your tax return with other work-related expense information provided to us. Check for other work-related expenses not pre-filled and ensure you add them.

1. For each other work-related expense not pre-filled in your tax return, select **Add** and:
 - enter **Your description**. To assist in record-keeping, add a short description of your expense
 - enter the **Amount**.
2. Select **Save**.
3. Select **Save and continue** when you have completed the **Deductions** section.

Notes: If you used the Depreciation and capital allowances tool, fields containing information from the tool cannot be directly adjusted in myTax. To make any adjustments to this information, or to add new assets to the tool, select the 'Use the depreciation and capital allowances tool' link .

Record keeping

Make sure you keep accurate records of other work-related expenses to make future claims.

There is more information on record keeping and written evidence in [Keeping your tax records](#).

Managing your deductions

Are you always on the go? Save time and keep your tax organised with the ATO app's [myDeductions](#) tool.

QC 59112

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