



Australian Government  
Australian Taxation Office

# Keeping records for work-related expenses



**If you claim a deduction for work-related expenses, you must have records of those expenses. For some expenses you will also need to show your work-related use and how you calculated your claim. Your deduction can be disallowed if you're not eligible or you don't keep the right records.**

Records are usually a receipt from the supplier of the goods or services that shows:

- name of supplier
- amount of expense or cost of the asset
- nature of goods or services
- date of purchase
- date of the document.

You can keep electronic records, including photos of your receipts.

The [myDeductions](#) tool in the ATO app is a record-keeping tool you can use to keep track of your records electronically. Download the free app now.

## How long to keep your records?

You need to keep your records for 5 years from the date you lodge your tax return.

If you claim the decline in value of a depreciating asset that you use for work, keep records for 5 years from the date of your last claim for the decline in value.

## Record keeping exceptions

Record keeping exceptions are available to make things simpler – they don't allow you to claim an automatic deduction.

In some circumstances you may not need receipts, but you will still need to show you spent the money and how you calculated your claim.

### Commissioner's discretion from keeping records

If you are unable to obtain a receipt from a supplier, you may be able to claim a deduction. The Commissioner may grant you relief from keeping records, if the nature and quality of the evidence you provide shows that:

- you spent the money (and weren't reimbursed)
- the expense is deductible and you're eligible to claim a deduction.

Evidence can include bank or credit card statements which show the amount that was paid, when and who it was paid to, provided you write the nature of the goods or services provided on your statement.

If you pay a supplier in cash and have no other documents to support your claim, you will not have sufficient evidence to claim a deduction.

## Specific record keeping rules for work-related expenses

### Car expenses

If you're eligible to claim car expenses, the type of records you need to keep depends on whether you use the cents per kilometre method or logbook method to calculate your claim.

#### Method 1: Cents per kilometre

If you use the cents per kilometre method, your claim is based on a set rate per kilometre. You:

- don't need receipts for expenses
- can claim a maximum of 5000km for work use, per car
- need to show how you calculate your work use – for example, keeping a diary of work trips.

#### Method 2: Logbook

You claim the work-related use of your car expenses by keeping a valid logbook.

Your logbook must cover a continuous 12-week period that represents your travel throughout the year and shows:

- your journeys, by recording the date and the odometer readings when you start and end each journey, the total kilometres travelled and the purpose of each journey
- the date and odometer readings when the 12-week logbook period started and finished
- the total kilometres travelled during the logbook period, as well as the total kilometres that were work-related during logbook period.

In addition, you must also keep opening and closing odometer records for every income year that you rely on your logbook. Generally, this will be the odometer reading on the first day of the income year (1 July) and last day of the income year (30 June). If you sell the car during the year, the closing odometer reading will be the reading at the date of sale.

If the work usage of your car no longer represents the work-related travel, you need to complete a new logbook.

Your logbook is valid for 5 years, but you can start a new logbook at any time.

You can claim fuel and oil costs based on your actual receipts, or you can estimate the expenses. Base the estimate on odometer readings from the start and the end of the income year (or purchase or sale date) in which you owned or leased the car during the year and the average price of fuel over the income year.

#### You must also keep:

- receipts for all car expenses, including the original purchase
- details of how you calculated your claim for decline in value of your car, including the effective life and method used.

There are different record keeping rules if your car expense claim relates to transporting bulky tools or equipment, or where you borrowed a car or used a vehicle other than a car (for example, a motorcycle or a vehicle with a carrying capacity over one tonne, such as a utility truck or panel van).

- For more information go to [ato.gov.au/carexpenses](https://ato.gov.au/carexpenses)

## Clothing, laundry, and dry-cleaning expenses

### Clothing

If you're eligible to claim a work-related clothing deduction, you must keep receipts. You can only claim clothing that is occupation-specific, protective, a compulsory uniform, or non-compulsory uniform your employer registers with AusIndustry.

### Laundry

If your claim for laundering (washing and ironing) deductible clothing is less than \$150, you don't have to keep written evidence. However, you must keep details of how you calculated your claim.

### Dry-cleaning

Dry-cleaning is not included in the \$150 exception for laundry expenses. Keep all receipts for dry-cleaning your eligible work-related clothing.

For more information go to [ato.gov.au/clothingandlaundry](https://ato.gov.au/clothingandlaundry)

## Self-education expenses

If you're eligible to claim a work-related self-education deduction, keep records for all your self-education expenses. This may include course fees, textbooks, stationery, computers or laptops and travel expenses.

You also need to be able to explain how the course directly relates to your employment at the time of study.

If you are claiming a deduction for a depreciating asset, for example, a laptop – you must keep records and details of how you work out the decline in value.

For more information go to [ato.gov.au/selfeducation](https://ato.gov.au/selfeducation)

## Depreciating assets

Some items, like a car or computer, have a limited life expectancy (effective life) and decline in value (depreciate) over time.

How you treat and work out your claim will depend on if:

- the item cost \$300 or less, or more than \$300
- the item forms part of a set that together cost more than \$300.

### \$300 or less

If the item cost \$300 or less, and you use it only for work-related purposes, you can claim an immediate deduction for its cost in the year you buy it.

### More than \$300

If the item cost more than \$300, you can claim a deduction for the decline in value over the effective life of the item (or items) over a number of years.

#### The records you must keep include:

- when and where you buy the item and its cost
- when you started using the item for a work-related purpose
- how you work out your percentage of work-related use, such as a diary that shows the purpose of and use of the item for work
- either
  - a copy of the Commissioner of Taxation's determination of effective life you use to work out the decline in value of the item
  - how you work out the effective life if you don't use the Commissioner's determination
- which method you chose to work out the decline in value.

To help you work out your claim and decline in value for a depreciating asset, use our Depreciation and capital allowances tool.

For more information go to [ato.gov.au/depreciationtool](https://ato.gov.au/depreciationtool)

### Working from home

If you're eligible to claim running expenses as a result of working from home, the records you need to keep depend on the method you use to work out your claim.

#### Method 1: Revised fixed rate

If you are using the revised fixed rate method, you need to keep records of your hours spent working at home for the year.

##### Also keep records:

- for items or expenses you can claim as a separate deduction, that is, expenses not covered by the rate per hour
- that show how you calculate your work-related use of those items, or work-related portion of the expenses
- with evidence you paid for the expenses covered by the revised fixed rate method (for example, if you use your phone and electricity when you work from home, keep one bill for each of these expenses).

#### Method 2: Actual costs method

If you are claiming the actual costs you incur as a result of working from home, you need a record for every expense you claim.

##### Keep records:

- for all additional running expenses (for example, stationery, electricity, and gas)
- for all depreciating assets
- that show how you calculate your work-related use of those items.

**i** For more information go to [ato.gov.au/home](https://ato.gov.au/home)

### Travel expenses

There are specific record keeping requirements for travel expenses, depending on:

- whether your travel allowance is shown on your income statement or payment summary
- whether your travel was domestic or overseas
- the length of your travel and your occupation.

##### Travel records you should keep include:

- a travel diary or itinerary (if your travel was for 6 nights or more)
- receipts for all meals, airfares, accommodation, car parking and tolls
- an explanation of how the travel was work-related, the number of nights you slept away from home, and the location.

You may be able to rely on an exception from keeping records if:

- you receive a travel allowance that is expected to cover your accommodation, meals, and incidental expenses
- your travel allowance is shown on your income statement or payment summary
- the amount you spent on those particular expenses does not exceed the reasonable amounts.

Different rules apply depending on whether you travel domestically or overseas. There is also a specific exemption for overseas travel for airline crew.

**i** For more information, go to [ato.gov.au/travelexpenses](https://ato.gov.au/travelexpenses)

**i** This is a general summary only.

For more information, visit [ato.gov.au/keepingtaxrecords](https://ato.gov.au/keepingtaxrecords) or speak to a registered tax professional.

