


# ***TD 2017/19A1 - Addendum - Income tax: what are the reasonable travel and overtime meal allowance expense amounts for the 2017-18 income year?***

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## Addendum

### Taxation Determination

#### Income tax: what are the reasonable travel and overtime meal allowance expense amounts for the 2017-18 income year?

This Addendum is a public ruling for the purposes of the *Taxation Administration Act 1953*. It amends Taxation Determination TD 2017/19 to provide separate reasonable travel allowance expense amounts for breakfast, lunch and dinner for employee truck drivers for the 2017-18 year (following detailed consultation with the transport industry).

#### TD 2017/19 is amended as follows:

##### 1. Paragraphs 23 to 30

Omit the paragraphs (including headings and footnotes); substitute:

#### **Reasonable amounts for domestic travel expenses for employee truck drivers<sup>6</sup>**

23. Reasonable amounts are given for meals (breakfast, lunch and dinner). The amounts are for all domestic travel destinations (that is, capital cities, regional and country centres). For the 2017-18 income year, the relevant amounts are as set out in Table 5a:

Table 5a: Employee truck driver's meals (food and drink) <sup>7</sup>		
Breakfast	Lunch	Dinner
\$24.25	\$27.65	\$47.70

24. The amounts for each of these meal breaks are separate and cannot be aggregated into a single daily amount. This is of particular importance for the days on which travel commences and ends, when some meals may not be deductible because they are not consumed in the course of work travel. A driver's work diary (as maintained for fatigue management purposes) can be used to demonstrate when meal breaks were taken, since employee truck drivers may take meal breaks at different times of the day compared to other taxpayers. It should also be noted

<sup>6</sup> For further information on truck drivers refer to paragraphs 72 to 75 of TR 2004/6 and to TR 95/18 *Income tax: employee truck drivers-allowances, reimbursements and work-related deductions*.

<sup>7</sup> The ATO published an earlier version of TD 2017/19 on 3 July 2017. The ATO will ensure employee truck drivers are not disadvantaged if they follow the daily amount approach of \$55.30 published in the earlier version of TD 2017/19.

that amounts can't be moved from one meal to another (for example, if the full amount for breakfast is not expended, it cannot be carried over to lunch or dinner).

25. The deduction allowed for each meal is the amount actually spent and not simply the reasonable amount specified above. Although the formal substantiation requirements don't apply for claims up to the reasonable amount, taxpayers should still be able to demonstrate the basis for their claims. Example 3 below shows how this can be done.

26. All accommodation expenses and incidental expenses (for example, the cost of a shower) incurred by employee truck drivers as part of work-related travel must be substantiated with written evidence (for example, a receipt).

### **Example 3:**

27. *Glenn is an employee truck driver. He is required to drive from Melbourne, Victoria to Adelaide, South Australia. Glenn leaves Melbourne at 9:00 PM, sleeps away from home overnight in his truck cab, then drives back to Melbourne the following day. Glenn is paid a travel allowance of \$40 for each day. These amounts are shown on his payment summary.*

28. *Glenn stops around midnight at a 24 hour truck stop in Horsham and spends \$25 on food and drink. He then continues to Adelaide where he snacks on a sandwich and fruit that he brought from home, before having a sleep in the truck cab. In the morning Glenn spends \$20 on food and drink at the truck stop where he parked overnight. After the truck is unloaded and reloaded Glenn heads to Bordertown, South Australia where he stops for lunch. Here he spends \$25 on food and drink. He then continues to Melbourne arriving at 5:00 PM, snacking on almonds and water that he brought from home as he drives.*

29. *Because Glenn spent less than the reasonable amount for each of dinner, breakfast and lunch, he can claim a deduction for the full amount that he spent on those meals (\$70) and is not required to obtain and keep all of the receipts for these meals. He may still need to provide a reasonable explanation of the expenses and so the receipts could be useful in demonstrating a pattern (see next paragraph).*

30. *If Glenn's tax return is checked by the ATO he may be asked to explain his claim for these amounts. Glenn would need to show that he travelled to and from Adelaide (for example, his work diary), that he received an allowance for the meals for each day that he travelled, that he correctly declared this allowance as income in his tax return, and demonstrate his typical spending pattern on meals. This could be by reference to diary entries, bank records and receipts kept for some (a representative sample) of his trips.*

This Addendum applies on and from 1 July 2017.

## ATO references

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