


# ***TD 2025/4 - Income tax: reasonable travel and overtime meal allowance expense amounts for the 2025-26 income year***

 This cover sheet is provided for information only. It does not form part of *TD 2025/4 - Income tax: reasonable travel and overtime meal allowance expense amounts for the 2025-26 income year*



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## Taxation Determination

# Income tax: reasonable travel and overtime meal allowance expense amounts for the 2025–26 income year

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### **📌 Relying on this Determination**

This publication is a public ruling for the purposes of the *Taxation Administration Act 1953*.

If this Determination applies to you, and you correctly rely on it, we will apply the law to you in the way set out in this Determination. That is, you will not pay any more tax or penalties or interest in respect of the matters covered by this Determination.

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### **What this Determination is about**

1. This Determination sets out the amounts that the Commissioner considers are reasonable (reasonable amounts) for the substantiation exception in Subdivision 900-B of the *Income Tax Assessment Act 1997* for the 2025–26 income year in relation to claims made by employees for:

- overtime meal expenses – for food and drink when working overtime
- domestic travel expenses – for accommodation, food and drink, and incidentals when travelling away from home overnight for work (particular

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reasonable amounts are given for employee truck drivers, office holders covered by the Remuneration Tribunal and federal members of parliament), and

- overseas travel expenses – for food and drink, and incidentals when travelling overseas for work.

2. This Determination should be read together with Taxation Ruling TR 2004/6 *Income tax: substantiation exception for reasonable travel and overtime meal allowance expenses*, which explains the substantiation exception and the way in which these expenses are able to be claimed.

3. The approach outlined in this Determination can only be used where you receive an allowance to cover the particular expenses you are claiming – for example, you received an accommodation allowance and are claiming accommodation expenses. This Determination is not relevant to you where you do not receive an allowance to cover your expenses.

4. The reasonable amounts only provide the maximum amount you can claim without being required to substantiate your expenditure (refer to paragraph 33 of TR 2004/6). If you rely on the reasonable amounts and we check your tax return, you will still be required to show:

- that you spent the money in performing your work duties (for example, in travelling away from home overnight on a work trip)
- how you worked out your claim (for example, you kept a diary)
- that you spent the money yourself (for example, using your credit card statement or other banking records) and were not reimbursed (for example, a letter from your employer), and
- that you correctly declared your allowance as income in your tax return.

## **Ruling**

### ***Amounts provided by certain providers are accepted as reasonable***

5. The Commissioner will accept that the daily rates from certain providers such as Employment Conditions Abroad (ECA) as a commercial provider, or the Australian Public Service Commission (APSC) as a provider by subscription to government agencies, are reasonable amounts for the purposes of claims made by employees referred to in paragraph 1 of this Determination.

### ***Reasonable amount for overtime meal expenses***

6. For the 2025–26 income year, the reasonable amount for overtime meal expenses is \$38.65.

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### ***Example 1 – calculation of reasonable amount for overtime meal expenses***

7. *Samantha works for the local government. She is asked to work overtime one night to complete an urgent task. Samantha works her 8-hour day followed by 4 hours of overtime. Samantha receives an overtime meal allowance of \$25 pursuant to her agreement, which appears on her income statement. During the overtime, Samantha takes*

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*a rest break to get a meal and returns to continue her overtime. Samantha spends \$30 on her meal.*

8. *As Samantha spends less than the reasonable amount for overtime meal expenses, she can claim a deduction for the \$30 she spends and she is not required to substantiate the expenditure (for example, get and keep the receipt for the meal).*

9. *If we check Samantha's tax return, she may be asked to explain her claim for a deduction. To do this, Samantha would need to show that she:*

- *worked overtime*
- *was paid an overtime meal allowance under an industrial instrument*
- *correctly declared this allowance as income in her tax return, and*
- *costed her meal at \$30 based on the cost of the curry and drink she purchased from a nearby Thai restaurant.*

10. *If Samantha spends more than the reasonable amount and wants to claim the higher amount she spends, she needs to get and keep the receipt for the meal.*

11. *If Samantha's overtime meal allowance is not shown on her income statement and she fully spends the allowance, she can choose to leave it out of her tax return and not claim a deduction for the meal she purchases when working overtime.*

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### **Reasonable amounts for domestic travel expenses**

12. The following reasonable amounts for domestic travel expenses do not apply to employee truck drivers<sup>1</sup>, office holders covered by the Remuneration Tribunal<sup>2</sup> or federal members of parliament.<sup>3</sup>

13. Reasonable amounts are provided in this Determination for 3 salary levels. Salary excludes any allowances received.

- Use Table 1 if your salary is \$148,250 or less.
- Use Table 2 if your salary is between \$148,251 and \$263,850.
- Use Table 3 if your salary is \$263,851 or more.

14. Part-time employees annualise their salary to a full-time equivalent salary level when determining which table to use for determining reasonable amounts under the substantiation exception. This ensures an equitable outcome for employees within the organisation.

15. Reasonable amounts are given for:

- accommodation at daily rates (for domestic travel only)

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<sup>1</sup> See paragraphs 26 to 33 of this Determination for the rates for truck drivers.

<sup>2</sup> Paragraphs 26 and 66 to 69 of TR 2004/6 set out that claims made by office holders covered by the Remuneration Tribunal are considered to be reasonable amounts if they do not exceed the rate of allowances set by the Remuneration Tribunal for that office holder.

<sup>3</sup> Paragraphs 27, 70 and 71 of TR 2004/6 set out that travel allowances paid to federal members of parliament and federal parliamentary secretaries, under the arrangements that commenced on 14 April 1998, are considered reasonable amounts for the recipients of those allowances. This includes the capital city and Canberra travel allowance rates for domestic travel, having regard to the circumstances under which those allowances are paid.

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- meals (showing breakfast, lunch and dinner), and
- expenses incidental to travel.

16. These amounts are shown for the following travel destinations:

- each Australian state and territory capital city (see Tables 1 to 3 of this Determination)
- certain specified high-cost regional and country centres (see Table 4 of this Determination for individual amounts), and
- all other regional and country centres (a common amount is given for all locations not listed in Table 4 of this Determination).

17. The reasonable amount for accommodation applies only for short stays in commercial establishments like hotels, motels and serviced apartments. If a different type of accommodation is used (for example, a hostel or caravan park), the reasonable amount cannot be used even if you receive an allowance.

18. The reasonable amount for meals depends on the period and time of travel. That is, the reasonable amounts only apply to meals (that is, breakfast, lunch and dinner) that fall within the time of day from the commencement of your travel to the end of your travel that is covered by the allowance. For example, if you leave at 10:00 am on Monday and return home at 3:00 pm on Tuesday, you can apply the reasonable amounts for lunch and dinner on Monday and breakfast and lunch on Tuesday.

19. The reasonable amount for incidentals applies in full to each day of travel covered by the allowance, without the need to apportion for any part-day travel on the first and last day.

20. The reasonable amounts for domestic travel expenses, according to salary levels and destinations, for the 2025–26 income year, are shown in Tables 1 to 4 of this Determination as follows:

Table 1: Reasonable amounts for domestic travel expenses – employee’s annual salary \$148,250 or less

Place	Accomm. (\$)	Food and drink (\$)	Incidentals (\$)	Daily total (\$)
Adelaide	158	breakfast 34.75 lunch 39.10 dinner 66.65	24.50	323.00
Brisbane	181	breakfast 34.75 lunch 39.10 dinner 66.65	24.50	346.00
Canberra	178	breakfast 34.75 lunch 39.10 dinner 66.65	24.50	343.00
Darwin	220	breakfast 34.75 lunch 39.10 dinner 66.65	24.50	385.00
Hobart	176	breakfast 34.75 lunch 39.10 dinner 66.65	24.50	341.00

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Melbourne	173	breakfast 34.75 lunch 39.10 dinner 66.65	24.50	338.00
Perth	180	breakfast 34.75 lunch 39.10 dinner 66.65	24.50	345.00
Sydney	223	breakfast 34.75 lunch 39.10 dinner 66.65	24.50	388.00
High-cost country centres	see Table 4 of this Determination	breakfast 34.75 lunch 39.10 dinner 66.65	24.50	variable
Other country centres	141	breakfast 31.15 lunch 35.55 dinner 61.30	24.50	293.50

Table 2: Reasonable amounts for domestic travel expenses – employee’s annual salary \$148,251 to \$263,850

Place	Accomm. (\$)	Food and drink (\$)	Incidentals (\$)	Daily total (\$)
Adelaide	211	breakfast 37.85 lunch 53.45 dinner 75.00	35.05	412.35
Brisbane	257	breakfast 37.85 lunch 53.45 dinner 75.00	35.05	458.35
Canberra	246	breakfast 37.85 lunch 53.45 dinner 75.00	35.05	447.35
Darwin	293	breakfast 37.85 lunch 53.45 dinner 75.00	35.05	494.35
Hobart	235	breakfast 37.85 lunch 53.45 dinner 75.00	35.05	436.35
Melbourne	231	breakfast 37.85 lunch 53.45 dinner 75.00	35.05	432.35
Perth	245	breakfast 37.85 lunch 53.45 dinner 75.00	35.05	446.35
Sydney	297	breakfast 37.85 lunch 53.45 dinner 75.00	35.05	498.35
High-cost country centres	see Table 4 of this Determination	breakfast 37.85 lunch 53.45 dinner 75.00	35.05	variable

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Other country centres	188	breakfast 34.75 lunch 35.55 dinner 69.00	35.05	362.35
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Table 3: Reasonable amounts for domestic travel expenses – employee’s annual salary \$263,851 or more

Place	Accomm. (\$)	Food and drink (\$)	Incidentals (\$)	Daily total (\$)
Adelaide	211	breakfast 42.15 lunch 59.60 dinner 83.40	35.05	431.20
Brisbane	257	breakfast 42.15 lunch 59.60 dinner 83.40	35.05	477.20
Canberra	246	breakfast 42.15 lunch 59.60 dinner 83.40	35.05	466.20
Darwin	293	breakfast 42.15 lunch 59.60 dinner 83.40	35.05	513.20
Hobart	235	breakfast 42.15 lunch 59.60 dinner 83.40	35.05	455.20
Melbourne	265	breakfast 42.15 lunch 59.60 dinner 83.40	35.05	485.20
Perth	265	breakfast 42.15 lunch 59.60 dinner 83.40	35.05	485.20
Sydney	297	breakfast 42.15 lunch 59.60 dinner 83.40	35.05	517.20
All country centres	207 or the relevant amount in Table 4 if higher	breakfast 42.15 lunch 59.60 dinner 83.40	35.05	variable

Table 4: Reasonable amounts for domestic travel expenses – high-cost country centres accommodation expenses

Country centre	\$	Country centre	\$
Albany (WA)	193	Kadina (SA)	207
Albury (NSW)	207	Kalgoorlie (WA)	193
Alice Springs (NT)	206	Karratha (WA)	288
Ararat (Vic)	159	Katherine (NT)	228
Armidale (NSW)	166	Kingaroy (Qld)	180
Ayr (Qld)	207	Kununurra (WA)	222

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Country centre	\$	Country centre	\$
Bairnsdale (Vic)	176	Launceston (Tas)	174
Ballarat (Vic)	187	Lismore (NSW)	183
Bathurst (NSW)	207	Mackay (Qld)	166
Bega (NSW)	207	Maitland (NSW)	187
Benalla (Vic)	168	Maryborough (Qld)	207
Bendigo (Vic)	170	Mildura (Vic)	170
Bordertown (SA)	164	Mount Gambier (SA)	164
Bourke (NSW)	184	Mount Isa (Qld)	185
Bright (Vic)	180	Mudgee (NSW)	206
Broken Hill (NSW)	162	Muswellbrook (NSW)	160
Broome (WA)	255	Nambour (Qld)	163
Bunbury (WA)	178	Naracoorte (SA)	207
Bundaberg (Qld)	184	Narrabri (NSW)	207
Burnie (Tas)	178	Newcastle (NSW)	195
Cairns (Qld)	175	Newman (WA)	271
Carnarvon (WA)	174	Nhulunbuy (NT)	264
Castlemaine (Vic)	162	Norfolk Island (Qld)	256
Ceduna (SA)	156	Northam (WA)	220
Charters Towers (Qld)	168	Nowra (NSW)	168
Chinchilla (Qld)	207	Orange (NSW)	215
Christmas Island (WA)	218	Port Augusta (SA)	207
Cobar (NSW)	207	Port Hedland (WA)	266
Cocos (Keeling) Islands (WA)	331	Port Lincoln (SA)	170
Coffs Harbour (NSW)	207	Port Macquarie (NSW)	190
Colac (Vic)	207	Port Pirie (SA)	207
Cooma (NSW)	207	Portland (Vic)	163
Cowra (NSW)	207	Queanbeyan (NSW)	207
Dalby (Qld)	201	Queenstown (Tas)	207
Dampier (WA)	199	Renmark (SA)	207
Derby (WA)	192	Rockhampton (Qld)	174
Devonport (Tas)	162	Roma (Qld)	182
Dubbo (NSW)	170	Sale (Vic)	207
Echuca (Vic)	207	Seymour (Vic)	164
Emerald (Qld)	179	Shepparton (Vic)	167

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Country centre	\$	Country centre	\$
Esperance (WA)	180	Swan Hill (Vic)	181
Exmouth (WA)	235	Tamworth (NSW)	207
Geelong (Vic)	175	Taree (NSW)	207
Geraldton (WA)	190	Tennant Creek (NT)	207
Gladstone (Qld)	171	Thursday Island (Qld)	323
Gold Coast (Qld)	225	Toowoomba (Qld)	161
Goulburn (NSW)	165	Townsville (Qld)	174
Gosford (NSW)	161	Tumut (NSW)	207
Grafton (NSW)	172	Wagga Wagga (NSW)	177
Griffith (NSW)	160	Wangaratta (Vic)	186
Gunnedah (NSW)	180	Warrnambool (Vic)	175
Halls Creek (WA)	204	Weipa (Qld)	238
Hamilton (Vic)	170	Whyalla (SA)	167
Hervey Bay (Qld)	175	Wilpena-Pound (SA)	272
Horn Island (Qld)	345	Wodonga (Vic)	207
Horsham (Vic)	166	Wollongong (NSW)	182
Innisfail (Qld)	207	Wonthaggi (Vic)	188
Inverell (NSW)	207	Yulara (NT)	570
Jabiru (NT)	216	Not applicable	Not applicable

**Example 2 – calculation of reasonable amount for meals and incidental expenses – domestic travel**

21. Svetlana is an accountant earning \$170,000 a year. As part of her duties, she is required to travel to and work in Sale for 4 days and 3 nights each month. Svetlana's employer pays for her accommodation directly and gives her a meal and incidental allowance of \$140 per day for the 4 days of travel. This allowance is shown on her income statement. Svetlana's usual pattern is to eat 3 times a day, spending \$30 on breakfast, \$40 on lunch and \$65 on dinner (that is, a total of \$135 per day). Svetlana calculates the daily reasonable amount for meals and incidentals as follows:

- Table 2 of this Determination applies because Svetlana's salary is between \$148,251 and \$263,850.
- Sale is listed as a high-cost country centre in Table 4 of this Determination.
- Table 2 of this Determination provides reasonable amounts for high-cost country centres as \$166.30 per day for meals and \$35.05 per day for incidentals (that is, a total of \$201.35 per day).

22. As Svetlana spends less than the reasonable amount on meals and incidentals, she can claim a deduction for the \$135 per day that she spends on meals and she is not required to substantiate the expenditure (for example, get and keep all of the receipts for

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*the meals). Svetlana cannot claim anything for accommodation because her employer paid for it.*

23. *If we check Svetlana's tax return, she may be asked to explain her claim for a deduction. To do this, Svetlana would show that she:*

- *travelled to and worked in Sale for 4 days each month*
- *received an allowance for the meals and incidentals for each day she travelled*
- *correctly declared this allowance as income in her tax return, and*
- *typically spent \$135 a day on meals and incidental expenses (for example, by reference to diary entries, bank records and receipts that she keeps for some of the trips).*

24. *If Svetlana spends more than the reasonable amount on meals and incidentals and wants to claim the higher amount that she spends, she would need to get and keep all of the receipts.*

25. *If Svetlana's meal and incidental allowance was not shown on her income statement and she fully spent the allowance, she can choose to leave it out of her tax return and not claim any deductions for the meals and incidentals that she purchases while travelling and working in Sale.*

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**Reasonable amounts for domestic travel expenses for employee truck drivers**

26. Reasonable amounts for domestic travel expenses for employee truck drivers<sup>4</sup> 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 2025–26 income year, the relevant amounts are as set out in Table 5 of this Determination:

Table 5: Reasonable amounts for domestic travel expenses – employee truck driver's meals (food and drink)

Breakfast	Lunch	Dinner
\$31.15	\$35.55	\$61.30

27. 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 that amounts cannot 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).

28. The deduction allowed for each meal is the amount actually spent and not simply the reasonable amount specified in Table 5 of this Determination. Although the formal substantiation requirements do not apply for claims up to the reasonable amount,

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<sup>4</sup> For further information on truck drivers, refer to paragraphs 72 to 75 of TR 2004/6.

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taxpayers should still be able to demonstrate the basis for their claims. Example 3 of this Determination shows how this can be done.

29. 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).

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**Example 3 – calculation of reasonable amount for meals – employee truck drivers**

30. *Glenn is an employee truck driver. He is required to drive from Melbourne to Adelaide. 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 \$80 for each day. These amounts are shown on his income statement.*

31. *Glenn stops around midnight at a 24-hour truck stop in Horsham and spends \$40 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 \$25 on food and drink at the truck stop where he parked overnight. After the truck is unloaded and reloaded, Glenn heads to Bordertown where he stops for lunch. Here he spends \$30 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.*

32. *As 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 (\$95) 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 paragraph 33 of this Determination).*

33. *If we check Glenn's tax return, he may be asked to explain his claim for these amounts. He would need to:*

- *show that he travelled to and from Adelaide (for example, his work diary)*
- *show that he received an allowance for the meals for each day that he travelled*
- *show 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.*

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**Reasonable amounts for overseas travel expenses**

34. If you are travelling overseas and are away from your usual residence for 6 or more nights in a row, you must still keep travel records even if you rely on the reasonable amounts and do not have to substantiate your expenses. Travel records may include ticketing information, diary entries or other information setting out the nature of your travel, the day and time it began, how long it lasted and where you travelled.

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35. Reasonable amounts are provided in this Determination for 3 salary levels. Salary excludes any allowances received.

- Use Table 6 if your salary is \$148,250 or less.
- Use Table 7 if your salary is between \$148,251 and \$263,850.
- Use Table 8 if your salary is \$263,851 or more.

36. Reasonable amounts are given for:

- meals (showing breakfast, lunch and dinner), and
- expenses incidental to travel.

37. Any expenditure on accommodation overseas must be fully substantiated.

38. Reasonable amounts are shown for cost groups to which a country has been allocated. Table 9 of this Determination sets out the cost group to which a country has been allocated.

39. If you travel to a country that is not shown in Table 9 of this Determination, and you are not using an alternate provider's data, use the reasonable amount for cost group 3 in the table relevant to your salary range. We use the cost group values of countries listed to reflect the reasonable costs of unlisted countries.

40. If you travel to 2 or more countries in the same day, use the cost group of the country that is in the higher cost group in determining the reasonable amount for that day.

41. The reasonable amount for incidentals applies in full to each day of travel covered by the allowance, without the need to apportion for any part-day travel on the first and last day.

42. The reasonable amounts for overseas travel expenses per day according to salary levels and cost groups for the 2025–26 income year are shown in Tables 6 to 9 of this Determination as follows:

Table 5: Reasonable amounts for overseas travel expenses – employee's annual salary \$148,250 or less

Cost group	Meals (\$)	Incidentals (\$)	Total (\$)
1	75	25	100
2	110	30	140
3	150	35	185
4	195	35	230
5	235	40	275
6	280	45	325

Table 6: Reasonable amounts for overseas travel expenses – employee's annual salary \$148,251 to \$263,850

Cost group	Meals (\$)	Incidentals (\$)	Total (\$)
1	95	25	120
2	130	35	165
3	175	40	215

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4	215	45	260
5	290	50	340
6	360	50	410

Table 7: Reasonable amounts for overseas travel expenses – employee’s annual salary \$263,851 or more

Cost group	Meals (\$)	Incidentals (\$)	Total (\$)
1	120	30	150
2	180	40	220
3	230	45	275
4	290	50	340
5	365	60	425
6	415	60	475

Table 8: Table of countries

Country	Cost group	Country	Cost group	Country	Cost group
Albania	2	Georgia	3	North Macedonia	2
Algeria	3	Germany	5	Norway	6
Antigua and Barbuda	6	Gibraltar	4	Oman	6
Argentina	3	Greece	4	Pakistan	2
Armenia	3	Guatemala	4	Panama	4
Austria	5	Guyana	4	Papua New Guinea	4
Azerbaijan	3	Hong Kong	6	Paraguay	2
Bahamas	6	Hungary	3	Peru	3
Bahrain	6	Iceland	6	Philippines	4
Bangladesh	4	India	3	Poland	3
Barbados	6	Indonesia	3	Portugal	4
Belarus	2	Iran	1	Puerto Rico	6
Belgium	5	Iraq	4	Qatar	6
Bermuda	6	Ireland	6	Romania	3
Bolivia	3	Israel	6	Russia	4
Bosnia	2	Italy	5	Rwanda	2
Brazil	3	Jamaica	4	Saint Lucia	5
Brunei	3	Japan	5	Saint Vincent	3
Bulgaria	3	Jordan	6	Samoa	4
Burkina Faso	3	Kazakhstan	3	Saudi Arabia	5
Cambodia	3	Kenya	4	Senegal	4

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Country	Cost group	Country	Cost group	Country	Cost group
Cameroon	4	Korea Republic	5	Serbia	3
Canada	5	Kosovo	2	Sierra Leone	3
Chile	3	Kuwait	5	Singapore	6
China	5	Kyrgyzstan	2	Slovakia	4
Colombia	3	Laos	2	Slovenia	3
Cook Islands	4	Latvia	4	Solomon Islands	4
Costa Rica	4	Lebanon	3	South Africa	2
Cote d'Ivoire	5	Lithuania	4	Spain	4
Croatia	3	Luxembourg	5	Sri Lanka	4
Cyprus	4	Macau	5	Sweden	5
Czech Republic	4	Malaysia	3	Switzerland	6
Denmark	6	Mali	3	Taiwan	5
Dominican Republic	4	Malta	4	Tanzania	2
East Timor	3	Mauritius	4	Thailand	4
Ecuador	4	Mexico	4	Tonga	3
Egypt	2	Monaco	6	Trinidad and Tobago	6
El Salvador	4	Morocco	3	Tunisia	2
Eritrea	3	Mozambique	3	Türkiye (Turkey)	3
Estonia	4	Myanmar	2	Uganda	3
Ethiopia	2	Namibia	2	Ukraine	2
Fiji	3	Nepal	2	United Arab Emirates	6
Finland	6	Netherlands	5	United Kingdom	5
France	5	New Caledonia	5	United States of America	6
French Polynesia	6	New Zealand	4	Uruguay	3
Gabon	5	Nicaragua	3	Vanuatu	4
Gambia	2	Nigeria	4	Vietnam	3

**Example 4 – calculation of reasonable amount for meals and incidental expenses – overseas**

43. Prashant travels to China on business for 2 weeks and is paid a travel allowance of \$550 per day (made up of \$300 for meals and incidentals and \$250 for accommodation). Prashant's annual salary is \$191,000. Prashant usually spends \$300 per day on meals

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and incidentals and \$300 per night on accommodation when travelling in China. Prashant calculates the daily reasonable amount for his overseas travel as follows:

- Table 7 of this Determination applies because Prashant's salary is between \$148,251 and \$263,850.
- Table 9 of this Determination lists China as Cost group 5.
- Table 7 of this Determination provides reasonable amounts for meals and incidental expenses for Cost group 5 as \$290 per day for meals and \$50 per day for incidentals (that is, a total of \$340 per day).

44. As Prashant spends less than the reasonable amount on meals and incidentals, he can claim a deduction for the \$300 per day that he spends and he is not required to substantiate the expenditure (for example, get and keep all of the receipts for the meals and incidentals). However, because he spends more than 6 nights away in a row, Prashant must keep travel records (such as a travel diary) for the 2 weeks he is in China. Prashant can claim a deduction for the \$300 per day he spends on accommodation but he must fully substantiate this expenditure (by getting and keeping a receipt or other documentary evidence of the expenditure).

45. If we check Prashant's tax return, he may be asked to explain his claim for a deduction. To do this, Prashant would show he:

- travelled to China for work
- received an allowance for the meals and incidentals for each day he travelled
- correctly declared this allowance as income in his tax return, and
- typically spent \$300 a day on meals and incidental expenses (for example, by reference to diary entries, bank records and some receipts that he kept).

46. If Prashant's travel allowance for meals and incidentals were not shown on his income statement and he fully spent the allowance, he can choose to leave this allowance out of his tax return and not claim any deductions for the meals and incidentals he purchases when travelling and working in China. His accommodation allowance will have been included on his income statement as Prashant's employer must withhold from the accommodation allowance.<sup>5</sup>

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### **Date of effect**

47. This Determination applies to the 2025–26 income year only. However, this Determination will not apply to taxpayers to the extent that it conflicts with the terms of settlement of a dispute agreed to before the date of issue of this Determination (see paragraphs 75 to 76 of Taxation Ruling TR 2006/10 *Public Rulings*).

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**Commissioner of Taxation**  
25 June 2025

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<sup>5</sup> Refer to PAYG Withholding Variation: Allowances.

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Status: **not legally binding**

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## References

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*Related rulings and determinations:*

TR 2004/6; TR 2006/10

*Legislative references:*

- ITAA 1997 Subdiv 900-B

*Previous rulings and determinations:*

TD 2020/5; TD 2021/6; TD 2022/10,  
TD 2023/3; TD 2024/3

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ATO references

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