TR 97/24A2 - Addendum - Income tax: relief from the effects of failing to substantiate

Addendum

Taxation Ruling

Income tax: relief from the effects of failing to substantiate

This Addendum is a public ruling for the purposes of the *Taxation Administration Act 1953*. It amends Taxation Ruling TR 97/24 to include our approach to people experiencing vulnerability and update for currency and to comply with current publishing requirements.

TR 97/24 is amended as follows:

1. ATO logo

Omit outdated ATO logo; substitute current ATO logo.

2. Preamble

Omit the preamble; substitute:

> **Relying on this Ruling**
>
> This publication (excluding appendix) is a public ruling for the purposes of the *Taxation Administration Act 1953*.
>
> If this Ruling applies to you, and you correctly rely on it, we will apply the law to you in the way set out in this Ruling. That is, you will not pay any more tax or penalties or interest in respect of the matters covered by this Ruling.

3. Table of Contents

Omit the table of contents; substitute:

Table of Contents **Paragraph**

4. Paragraphs 1 to 25

Omit the page status 'FOI status: **may be released**'; substitute: 'Status: **legally binding**'.

5. Paragraph 1

Omit the wording of the paragraph; substitute:

> The Tax Law Improvement Project restructured, renumbered and rewrote the income tax law in plain language. Income tax law was progressively amended to reflect these aims.

6. Paragraph 2

(a) Omit '('the Act')'; substitute, '(ITAA 1997)'.

(b) After the paragraph, insert new paragraph 2A:

> 2A. All further legislative references in this Ruling are to the ITAA 1997, unless otherwise indicated.

7. Paragraph 3

(a) In the heading, omit '**person/arrangement**'; substitute '**person or arrangement**'.

(b) Omit 'three'; substitute '3'.

(c) Omit 'of the Act'.

8. Paragraph 4

Omit 'car expenses calculated under the 'one third of actual expenses' method;'.

9. Paragraph 5

Omit 'or the '12% of original value' method'.

10. Paragraphs 9 and 10

Omit the paragraphs including the heading.

11. Paragraphs 12 and 15

Omit the first instance of ‘of the Act’.

12. Paragraph 13

Omit ‘discretion. (See paragraphs 30 to 45 for further information.)’; substitute ‘discretion (see paragraphs 30 to 45 of this Ruling).’.

13. Paragraph 16

(a) Omit ‘e.g.’; substitute ‘for example’.

(b) After ‘$150 or less.’, insert new footnote 1:

[1] The provisions that allow taxpayers to claim less than $300 of work expenses (section 900-35) and $150 for laundry expenses (section 900-40) without getting substantiation, only apply for periods prior to the 2026–27 income year.

(c) After ‘Section 900-200’ omit ‘of the Act’.

(d) Omit ‘affected. (See paragraphs 48 to 52 for further information.)’; substitute ‘affected (see paragraphs 48 to 52 of this Ruling).’.

14. Paragraph 17

(a) Omit ‘including TaxPack,’; substitute ‘such as the ATO website’.

(b) Omit ‘Australian Taxation Office (‘the ATO’)’; substitute ‘(ATO)’.

15. Paragraph 18

(a) After ‘Section 900-205’, omit ‘of the Act’.

(b) After ‘Subdivision 900-E’, omit ‘of the Act’.

(c) After ‘another provision of the’, omit ‘Act’; substitute ‘ITAA 1997’.

16. Paragraph 19

Omit ‘time of loss or destruction.’; substitute ‘time of loss or destruction;’.

17. Paragraph 21

Omit ‘subsection 900-205 (4) and (7)’; substitute ‘subsection 900-205(4) and (7)’.

18. Paragraph 23

Omit ‘successful. (See paragraphs 55 to 60 for further information.)’; substitute ‘successful (see paragraphs 55 to 60 of this Ruling).’.

19. Paragraph 24

(a) Omit 'Subdivision 900E of the Act'; substitute 'Subdivision 900-E'.

(b) Omit all instances of 'of the Act'.

20. Paragraph 25

(a) Omit 'of the Act'; substitute 'of the ITAA 1997'.

(b) After the paragraph, insert new paragraph 25A and signature block, including heading:

Date of effect

25A. This Ruling applies from 1 July 1997.

Commissioner of Taxation
3 December 1997

21. Paragraphs 26 to 62

Omit the page status 'FOI status: **may be released**'; substitute: 'Status: **not legally binding**'.

22. Paragraph 26

(a) Omit the heading 'Explanation'; substitute new heading 'Appendix – Explanation'.

(b) After the new heading, insert:

This Explanation is provided as information to help you understand how the Commissioner's view has been reached. It does not form part of the binding public ruling.

(c) Omit the wording of the paragraph; substitute:

The substantiation provisions of Division 900 require that certain written evidence be maintained in respect of work expenses, car expenses and business travel expenses. Consistent with the self-assessment environment, taxpayers are not required to furnish written evidence when lodging their tax returns. A taxpayer must supply it to the Commissioner when called upon to do so. If the required written evidence is not available, generally the expenses cannot be claimed as deductions under the other provisions of the ITAA 1997.

23. Paragraph 27

Omit the wording of the paragraph; substitute:

However, in 3 limited sets of circumstances, Subdivision 900-H provides relief from the effects of a failure to observe strictly the substantiation requirements. For the purposes of Subdivision 900-H, subsection 28-150(6) states that not doing something required by Division 28 in calculating deductions for car expenses, for example, keeping a logbook or retaining a logbook, is treated in the same way as not doing something necessary to follow the rules in Division 900.

24. Paragraph 28

Omit ‘The three sections of the Act’; substitute ‘The 3 sections of the ITAA 1997’.

25. Paragraph 29

(a) Omit ‘of the Act’.

(b) After ‘substantiation provisions’, omit the comma.

26. Paragraph 30

(a) After ‘Accordingly,’, insert ‘former’.

(b) After ‘*Income Tax Assessment Act 1936*’, omit ‘(the 1936 Act)’; substitute ‘(ITAA 1936)’.

(c) After ‘second reading speech’, insert new footnote 2:

[2] Robert McMullan, Senator, Second Reading Speech, Taxation Laws Amendment Bill (No. 4) 1990, Commonwealth of Australia, Senate, *Official Hansard*, 19 December 1990, page 6028.

27. Paragraph 31

(a) After ‘The discretion in’, insert ‘former’.

(b) After ‘Division 900’ omit ‘of the Act’.

(c) After ‘under another provision of the’ omit ‘Act’; substitute ‘ITAA 1997’.

28. Paragraph 32

(a) In the heading, after ‘***decisions on***’, insert ‘***former***’.

(b) After ‘Administrative Appeals Tribunal’ omit ‘(‘the AAT’)’; substitute ‘(AAT)’.

(c) After ‘exercise the discretion under’, insert ‘former’.

29. Paragraph 33

After ‘exercising the discretion under’, insert ‘former’.

30. Paragraph 34

Omit ‘relied on log book’; substitute ‘relied on logbook’.

31. Paragraph 35

(a) Omit ‘subsection 51(1) of the 1936 Act’; substitute ‘former subsection 51(1) of the ITAA 1936’.

(b) After ‘exercising the discretion under’, insert ‘former’.

32. Paragraph 36

(a) Omit ‘1936 Act’; substitute ‘ITAA 1936’.

(b) After ‘previous discretion in’, insert ‘former’.

33. Paragraph 37

(a) Omit both instances of ‘1936 Act’; substitute ‘ITAA 1936’.

(b) Omit ‘of the Act’.

34. Paragraph 38

(a) Omit the heading ‘***New Act***’; substitute ‘***ITAA 1997***’.

(b) Omit ‘of the Act’.

35. Paragraphs 46 and 47

(a) Omit all instances of ‘*log book*’; substitute ‘*logbook*’.

(b) Omit all instances of ‘*five*’; substitute ‘*5*’.

36. Paragraph 48

After ‘Section 900-200’ omit ‘of the Act’.

37. Paragraph 49

Omit ‘e.g.’; substitute ‘for example’.

38. Paragraph 50

Omit ‘including TaxPack’; substitute ‘such as the ATO website’.

39. Paragraph 53

After ‘*prepare his*’ omit ‘*income*’.

40. Paragraph 54

After ‘*provisions would not apply,*’ omit ‘*i.e.*’; substitute ‘*that is*’.

41. Paragraph 55

(a) In the heading, omit '**Lost/destroyed**'; substitute '**Lost or destroyed**'.

(b) Omit 'of the Act'.

42. Paragraph 56

Omit the wording of list point (a); substitute:

> if the lost or destroyed document was a travel record, logbook or other document that is not written evidence of an expense under Subdivision 900-E, there is no need to replace it and any entitlement to a deduction is not affected by the failure to retain or produce the document;

43. Paragraph 57

(a) Omit the wording of the paragraph; substitute:

> The taxpayer is expected to have evidence available to show that the loss or destruction has occurred and that reasonable precautions were taken to protect the documents, for example, evidence that the taxpayer's home was burgled or burnt or that a locked car containing written evidence was stolen. Where loss or destruction of documents has occurred due to the taxpayer experiencing vulnerability such as sudden homelessness or family violence, the Commissioner will have regard to evidence of the taxpayer's vulnerability.[3]

(b) After 'taxpayer's vulnerability.', insert new footnote 3:

> [3] Vulnerability can be complex and dynamic. What we mean by vulnerability and our approach to vulnerability is explained in Our Vulnerability Framework.

44. Paragraph 59

Omit the wording of the paragraph; substitute:

> It is also not possible to define what may be 'reasonably possible' in all circumstances in relation to trying to obtain a substitute document if the lost or destroyed document was written evidence under Subdivision 900-E. However, it is expected that a taxpayer show a bona fide attempt has been made to obtain a substitute document or, alternatively, that there were reasonable grounds for believing that such efforts would have been unsuccessful. For example, if a taxpayer has evidence to show that attempting to obtain a substitute document would put the taxpayer at risk of harm or injury or if a supplier who provided the original written evidence has ceased trading and the whereabouts of staff and records are unknown, the Commissioner may decide that it would not be reasonably possible to obtain a substitute document. Where documents such as bank statements or credit card statements can safely be provided as acceptable evidence as described in Law Administration Practice Statement PS LA 2005/7 *Substantiating an individual's work-related expenses*, it is not necessary to obtain a substitute document.

This Addendum applies from both before and after its date of issue.

Commissioner of Taxation
8 July 2026

ATO references

NO:	1-1BOJYKNK
ISSN:	2205-6122
BSL:	IAI