TR 98/5 - Income tax: calculating and claiming a deduction for laundry expenses

This cover sheet is provided for information only. It does not form part of *TR 98/5 - Income tax: calculating and claiming a deduction for laundry expenses*

This Ruling refers to legislative provisions and defined terms that have been repealed or substituted by the *Treasury Laws Amendment (Tax Reform No. 1) Act 2026*.

Effective from 1 July 2026, this Ruling does not apply to the extent that it relies on those repealed or substituted provisions or definitions.

The following provisions referred to in the Ruling were repealed:

- section 900-35 of the *Income Tax Assessment Act 1997* (exception for small total of expenses)
- section 900-40 of the *Income Tax Assessment Act 1997* (exception for laundry expenses below a certain limit).

This Ruling will be updated in due course to reflect the changes introduced by the *Treasury Laws Amendment (Tax Reform No. 1) Act 2026*.

Until the Ruling is updated, it continues to apply in full for income years ending on or before 30 June 2026, including where taxpayers lodge or amend income tax returns for the 2025-26 income year or earlier years.

Guidance is available at Standard deduction for work-related expenses.

This document has changed over time. This is a consolidated version of the ruling which was published on *6 July 2011*

Taxation Ruling
Income tax: calculating and claiming a deduction for laundry expenses

other Rulings on this topic

TR 94/22; TR 96/16; TR 97/7; TR 97/12; TR 97/24

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Preamble

*The number, subject heading and the **Date of effect** and **Ruling** parts of this document are a 'public ruling' for the purposes of Part IVAAA of the **Taxation Administration Act 1953** and are legally binding on the Commissioner. The remainder of the document is administratively binding on the Commissioner. Taxation Rulings TR 92/1 and TR 97/16 together explain when a Ruling is a public ruling and how it is binding on the Commissioner.*

What this Ruling is about

Class of person/arrangement

1. [Omitted.]

2. [Omitted.]

3. This Ruling sets out the rules for calculating and claiming a deduction for laundry expenses. It addresses separately the situations where total laundry expenses incurred for the income year are:

- up to $150; and
- are more than $150.

4. The Ruling does not consider dry cleaning expenses. These expenses are not laundry expenses. Separate substantiation requirements apply (see subsection 900-40(4) and Subdivision 900-B of the *Income Tax Assessment Act 1997* (ITAA 1997)').

5. [Omitted.]

Date of effect

6. This Ruling applies for the 1994-95 and later income years. This Ruling does not apply to taxpayers to the extent that it conflicts with the terms of a settlement of a dispute agreed to before the date of

issue of the Ruling (see paragraphs 21 and 22 of Taxation Ruling TR 92/20).

Previous Rulings

7. Taxation Ruling IT 2452 'Income tax: substantiation - upkeep of uniforms and/or protective clothing' and Taxation Determination TD 93/232 'Income tax: how are laundry expense claims calculated and substantiated for the purposes of subsection 51(1) and section 82KZB of the *Income Tax Assessment Act 1936*?', which applied in relation to the period before 1 July 1994, have been withdrawn.

Definitions

8. Some of the terms used in this Ruling are explained below:

Uniform - a uniform is one or more items of clothing (including accessories) which, when considered as a set, distinctively identify the taxpayer as a person associated (directly or indirectly) with their employer, or a group consisting of their employer and one or more of their employer's associates. See subsection 34-15(1) of the ITAA 1997.

Compulsory uniform - to be compulsory, the wearing of the uniform must be strictly and consistently enforced except where it is impossible to enforce. A compulsory uniform only includes shoes, socks, stockings and accessories where the employer's express uniform guidelines stipulate the characteristics that qualify each of these items as an integral part of the compulsory uniform, e.g., colour, style, type. See Taxation Ruling TR 97/12 'Income tax and fringe benefits tax: work-related expenses: deductibility of expenses on clothing, uniform and footwear' which discusses what is a 'compulsory uniform ' in more detail.

Conventional clothing - this is clothing that would ordinarily be worn, or which could reasonably be expected to be worn, by a person irrespective of whether that person is working or not, e.g., jeans, dress suit, etc. See Taxation Ruling TR 94/22 'Income tax: implications of the Edwards' case for the deductibility of expenditure on conventional clothing by employees' and paragraphs 19 to 24 of Taxation Ruling TR 97/12.

Laundry expense - this is a work expense to do with washing, drying or ironing clothes, but not dry cleaning. See subsection 900-40(4) of the ITAA 1997.

Non-compulsory uniform - this is similar to a compulsory uniform in that it identifies the employer, but the wearing of the clothing at work is not compulsory, or, if compulsory, the wearing of the clothing is not consistently enforced (subsection 34-15(2) of the ITAA 1997). The design of the uniform has to be entered on the Register of Approved Occupational Clothing. Paragraphs 36 to 40 of Taxation Ruling TR 97/12 discuss what is a 'non-compulsory uniform ' in more detail.

Occupation specific clothing - this is clothing that distinctively identifies the wearer as a person associated with a particular profession, trade, vocation, occupation or calling. It is this distinctive nature of the clothing that provides a nexus between the expenditure and the income earning activities such that the essential character of the expense is work related and not of a private nature (e.g., a nurse's traditional uniform, a chef's checked pants and a religious cleric's ceremonial robes). It is not clothing that could be worn in a number of occupations. See subsection 34-20(1) of the ITAA 1997and Taxation Ruling TR 97/12.

Protective clothing and footwear - this is clothing that when worn while working protects a taxpayer or others from death, disease, injury, damage to other clothing worn or from damage to artificial or medical appliances used - see subsection 34-20(2) of the ITAA 1997 and Taxation Ruling TR 97/12. See also *Case A45* 69 ATC 270 which discusses the 'protective' qualities of clothing in more detail.

Work expense - an expense a taxpayer incurs in the course of producing their salary or wages - subsection 900-30(1) of the ITAA 1997.

Written evidence - a document or other records that can be used to demonstrate that the expense was incurred. It can be:

(i) a document from the supplier of the goods (e.g., receipts) - section 900-115 of the ITAA 1997; or

(ii) evidence a taxpayer has recorded themselves for small expenses - section 900-125 of the ITAA 1997 - see paragraph 25 of this Ruling.

Ruling

When is a deduction allowable for laundry expenses?

9. In short, a deduction is allowable if an expense:

(a) is incurred;

(b) meets the deductibility tests;

(c) satisfies the substantiation rules which apply to employees; and

(d) is not excluded from deductibility under section 51AH of the *Income Tax Assessment Act 1936* (ITAA 1936) or subsection 34-10(2) of the ITAA 1997.

(a) Expense must be incurred

10. The laundry expense must be incurred by the taxpayer to be an allowable deduction. An expense is incurred when a taxpayer has spent the money, or paid by cheque or credit card. In some cases an expense will have been incurred when a taxpayer receives a bill or invoice for the expense for which they are liable and must pay. See Taxation Ruling TR 97/7 'Income tax: section 8-1 - meaning of 'incurred' - timing of deductions' for more information about when an expense is 'incurred'.

(b) Expense must meet the deductibility tests

11. The laundry expense must be incurred in the course of producing salary or wage income. If the laundry expense is partly for work purposes and partly for private purposes, then only the work related portion is an allowable deduction.

12. A deduction is only allowable for the cost of washing, drying or ironing clothes that fall into one or more of the following categories:

- **compulsory uniform**;
- **non-compulsory uniform**;
- **occupation specific clothing**; or
- **protective clothing**;

(see paragraph 8 for definitions of these terms).

13. A deduction is not allowable for the cost of laundering conventional clothing unless there is a sufficient connection between the expenditure on the conventional clothing and the income earning activities of the taxpayer. Whether such a connection exists, and the

essential character of the expense, are matters to be determined by reference to all the circumstances of the particular case. See Taxation Ruling TR 94/22 and Taxation Ruling TR 96/16 'Income tax: work-related expenses: deductibility of expenses on compulsory uniform shoes, socks and stockings'.

14. A deduction is not allowable if the expense is incurred in earning tax exempt income (e.g., laundry of uniforms for members of the Army Reserve).

(c) Expense satisfies the substantiation rules

15. A deduction for laundry expenses is not allowable in circumstances where the substantiation rules (see paragraphs 19-22) contained in Subdivision 900-B of the ITAA 1997 are not met. Subdivision 900-B requires written evidence to be kept that proves the expense was incurred, unless the exception for laundry expenses below a certain limit is satisfied (see paragraph 19-22). However, if the nature and quality of the evidence available to substantiate a claim is sufficient, the Commissioner may exercise a discretion in some circumstances and provide relief - see Taxation Ruling TR 97/24 'Income tax: relief from the effects of failing to substantiate'.

(d) Expense is not excluded from deductibility under section 51AH of the ITAA 1936 or subsection 34-10(2) of the ITAA 1997

16. Under section 51AH of the ITAA 1936 where all or part of the expenditure is reimbursed and the reimbursement constitutes a fringe benefit, or would consitute a fringe benefit it was not an exempt benefit,under the *Fringe Benefits Tax Assessment Act 1986,* the amount reimbursed is not an allowable deduction.

17. Under subsection 34-10(2) of the ITAA 1997 a deduction is not allowable for laundry expenses associated with a non-compulsory uniform unless the design of the uniform has been entered on the Register of Approved Occupational Clothing.

Laundry allowance

18. The receipt of an allowance for laundry expenses does not automatically mean that the expenditure is deductible. However, allowances received for laundry, clothing, uniform and related expenditure are fully assessable under subsection 6-5(1) of or section 15-2 of the ITAA 1997. See *Mansfield v. FC of T* 96 ATC 4001 at 4006; (1995) 31 ATR 367 at 372.

How do you substantiate laundry expenses?

Laundry expenses up to $150

19. Where the total amount of laundry expenses incurred in the income year is up to $150, there is no need to retain written evidence of each laundry expense - subsection 900-40(1) of the ITAA 1997.

20. However, a taxpayer may calculate their laundry expenses by keeping written evidence. See paragraph 8 for an explanation of what is written evidence.

21. Where a taxpayer does not keep written evidence of their laundry expenses, the Commissioner will allow a claim of $1 per load (which covers washing, drying and ironing) in situations where only work related clothing is being laundered, and 50 cents per load where both private and work related clothing is being laundered at the same time. This is hereafter referred to as the 'Commissioner's estimate'. If the Commissioner's estimate is used, a taxpayer should keep details of the number of washes that were done during the year, and what type of clothes (work related, private or both) were included in each wash.

Laundry expenses more than $150

22. Where the total amount of work expenses incurred in the income year is $300 or less, there is no need for written evidence to be kept for laundry or other work expenses even if the laundry expenses are more than $150 - section 900-35 of the ITAA 1997. A taxpayer may use the Commissioner's estimate of laundry expenses or calculate their laundry expenses by keeping written evidence. However, where the total amount of work expenses is more than $300, then to claim laundry expenses that total more than $150, a taxpayer must keep written evidence of **all** their laundry expenses (not just the amount above $150).

Explanations

23. Laundry expenses fall within the definition of '**work expenses**' (see paragraph 8). Laundry expenses are those expenses to do with washing, drying or ironing clothes but not dry cleaning. Expenses such as washing detergent, water and electricity may be claimed as a deduction.

24. A taxpayer is entitled to claim as a deduction up to $300 of work expenses without the need to keep written evidence. Even if the total work expenses claimed exceed $300, up to $150 of laundry expenses may be claimed without keeping written evidence.

However, this exception does not increase the $300 limit to $450 - subsection 900-40(2) of the ITAA 1997.

25. Written evidence of costs such as cleaning agents (detergents, etc.) may be kept in the form of receipts. Where each expense is $10 or less, and the total of all a taxpayer's small work expenses, not just laundry expenses, is $200 or less for the year of income, then the individual costs may be recorded in a diary and there is no need to keep receipts - section 900-125 of the ITAA 1997.

26. Electricity expenses may be calculated by reference to the average power consumption for household appliances guide that is available from a taxpayer's local electricity authority. Diaries and other records may also be used to determine the pattern of usage (the Commissioner will accept a diary that has been maintained for a minimum period of one month if it is representative of the normal pattern of usage).

27. Depreciation may also be claimed on items used in the course of washing, drying or ironing clothes (e.g., washing machine or dryer). It should be noted that if the intention is to claim depreciation of such items, full documentary evidence is to be kept of the original cost and date of purchase (subject to the application of the Commissioner's discretion in subdivision 900-H of the ITAA 1997).

28. A taxpayer may also claim a deduction for expenses incurred in using a laundromat. The deduction may be calculated using the Commissioner's estimate or as a total of actual expenses incurred. If a taxpayer wishes to claim their actual expenses, a record of each expense incurred must be kept (see paragraph 25).

29. The Commissioner's estimate is based on the following breakdown of costs incurred per single wash of work related clothes:

Laundry Expense	**$**
Cost of detergent	0.45
Average cost of using washing machine (warm machine wash)	0.15
Water costs	0.05
Average cost of using clothes dryer	0.25
Average cost of using iron	0.10
Average cost per wash	$1.00

Where work related clothing is laundered with private clothing, the amount of $1 per wash is to be halved (i.e., only 50 cents per wash is allowed).

Examples

Example 1

Total laundry expenses are up to $150 and when added to other work expenses the total is $300 or less

30. Joe works as a mechanic. He incurred $90 in purchasing protective overalls. Joe washed his overalls twice a week for 48 weeks of the year and did no other washing at the same time (i.e., his overalls were washed separately from all his other clothes). He did not keep detailed records of his laundry expenses and has chosen to use the Commissioner's estimate.

Joe calculates his deduction as follows:

$1 per wash x 2 washes per week x 48 weeks = $96

Joe's total work expenses are as follows:

Laundry	$96
Other work expenses	$90
Total work expenses	**$186**

31. Where the total of laundry and other work expenses is $300 or less, there is no need to retain written evidence of each expense incurred. As Joe's laundry expenses do not exceed $150, and his total work expenses do not exceed $300, he does not need to keep written evidence of either his laundry expenses or his other work expenses. However, he should keep details showing how the number of washes was worked out.

Example 2

Total laundry expenses are up to $150 and when added to other work expenses the total is more than $300

32. Lisa works as a nurse. She wants to claim a deduction for laundering her nurse's traditional uniform and incurred $290 in other work expenses. Lisa washed her uniform twice a week for 48 weeks of the year and did no other washing at the same time (i.e., her uniform was washed separately from all her other clothes). She did not keep detailed records of her laundry expenses and has chosen to use the Commissioner's estimate.

Lisa calculates her deduction as follows:

$1 per wash x 2 washes per week x 48 weeks = $96

Lisa's total work expenses are as follows:

Laundry	$96
Other work expenses	$290
Total work expenses	**$386**

33. Where the total of laundry expenses is up to $150 and the total of laundry expenses and other work expenses is more than $300, written evidence of each work expense incurred (other than laundry expenses) must be kept. As Lisa's total work expenses are more than $300 she must keep written evidence of her other work expenses. She does not need to keep written evidence of her laundry expenses as they do not exceed $150. However, she should keep details showing how the number of washes was worked out.

Example 3

Total laundry expenses are more than $150 and when added to other work expenses the total is $300 or less

34. Julie works as a plumber. She incurred $40 in purchasing protective overalls and washed them five times a week (for 48 weeks of the year) - no other washing was done at the same time (i.e., her overalls were washed separately from all her other clothes). She did not keep detailed records of her laundry expenses and has chosen to use the Commissioner's estimate.

Julie calculates her deduction as follows:

$1 per wash x 5 washes per week x 48 weeks = $240

Julie's total work expenses are as follows:

Laundry	$240
Other work expenses	$40
Total work expenses	**$280**

35. Where laundry expenses total more than $150 and the total of work expenses (including laundry) is $300 or less, there is no need to retain written evidence of each expense incurred. As Julie's total work expenses do not exceed $300 she does not need to keep written evidence of either her laundry expenses or her other work expenses.

Example 4

Total laundry expenses are more than $150 and when added to other work expenses the total is more than $300

36. Charles works as a bank teller in Victoria and incurred $500 in purchasing his compulsory bank uniform. He washed the uniform twice a week for 48 weeks of the year and washed his other clothes at

the same time. He kept detailed records of his laundry expenses which showed that each load cost $4.07.

Charles calculates the total cost of **all** the washes he did for the year (2 per week for 52 weeks of the year) as follows:

Expense	**Cost**	**Total**
Depreciation of washing machine	$1000 x 20%	$200.00
Water	14,000 litres per year @ $0.00065 per litre*	$ 9.10
Electricity - washing machine	$9 per quarter**	$ 36.00
Detergent	$7 per 20 washes x 104 washes for the year***	$ 36.40
Depreciation of clothes dryer	$400 x 20%	$ 80.00
Electricity - clothes dryer	$14 per quarter**	$ 56.00
Electricity - Iron	$1.40 per quarter**	$ 5.60
		$423.10

* The water usage for Charles' washing machine was obtained from the guide *'How much water do you use?'* issued by South East Water (each taxpayer should use the guide issued by their local authority). Each taxpayer should also obtain the cost per litre of water used from their local authority.

** The electricity cost for Charles' washing machine, clothes dryer and iron were obtained from the *'Guide to Operating Costs of Domestic Electrical Appliances'* issued by United Energy (each taxpayer should use the guide issued by their local authority).

*** A bottle of detergent, which lasted 20 washes, cost Charles $7. Therefore, the cost of detergent per wash is $7 / 20 washes = 35 cents per wash.

The average cost per wash = $423.10 / 104 = $4.07

However, as Charles washed his private clothes with his work clothes the cost of a 'work related wash' must be halved:

$4.07 / 2 = $2.04 (rounded)

Charles must multiply the average cost per wash by the number of times he washed his uniform:

$2.04 per wash x 2 washes per week x 48 weeks = $196

Charles' total work expenses are as follows:

Laundry	$196
Other work expenses	$500
Total work expenses	**$696**

37. Where laundry expenses total more than $150 and the total of work expenses (including laundry) is more than $300, written evidence of each expense incurred (including laundry) must be kept. As Charles' total work expenses are more than $300 he must keep written evidence of his other work expenses (i.e., the cost of purchasing his uniform). He also needs to keep written evidence of his laundry expenses as they total more than $150.

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legislative references
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case references
- Mansfield v. FC of T 96 ATC 4001; (1995) 31 ATR 367
- Case A45 69 ATC 270