Australian Government
Australian Taxation Office

SIRAGUSA
ACCOUNTANTS & ADVISERS

Overnight travel expenses

To claim a deduction for a work-related expense:

- You must have spent the money yourself and weren't reimbursed.
- The expense must directly relate to earning your income.
- You must have a record to prove it.

What are overnight travel expenses?

Overnight travel expenses can include:

- accommodation (the cost of staying in a hotel, motel, etc.)
- meal expenses
- incidental expenses (minor expenses such as car parking or a bus ticket)
- transport (for example, the cost of your flights).

Remember

If your overnight travel is for both work and private purposes, you can only claim the expenses that are for work purposes. You may need to apportion your overnight travel expenses. If you travel away from home for 6 or more nights in a row, you need to keep travel records such as a travel diary. This is in addition to keeping receipts for your expenses.

Receiving a travel allowance from your employer does not automatically entitle you to a deduction.

When you can claim overnight travel expenses

- **You can claim** a deduction for travel expenses if you travel and stay away from your home overnight in the course of performing your work duties. For example, if you need to travel interstate for a number of days to meet with clients.
- **You can't claim** a deduction for travel expenses if you don't stay away from your home overnight.

When you can't claim overnight travel expenses

If your employer reimburses you for any travel expenses, you can't claim a deduction for them.

- **You can't claim** a deduction for travel expenses if:
  - due to your personal circumstances, you live a long way from where you work so you choose to sleep at or near your workplace rather than returning home
  - you're living at a location where you are working
  - you incur the expenses while relocating.

Keeping records

Unless a record keeping exception applies, you'll need to keep records to support your claims for overnight travel expenses. This may be a combination of written evidence (receipts) and a travel diary.

If you receive a travel allowance from your employer and incur deductible travel expenses, you may be entitled to rely on the record keeping exception where your expenses are within the 'reasonable amounts' we publish. For information on the reasonable amount (the amount considered reasonable for the substantiation exception) visit our legal database.

If you claim a deduction for more than the reasonable amount, you need to keep receipts for all expenses, not just for the amount over the reasonable amount. All expenditure on accommodation overseas must be fully substantiated.

Remember

Even if you are not required to keep receipts, you must be able to show how you calculate your claim and show you spent the amounts. For example, show your work diary, bank statements, the travel allowance you received and that you correctly declared your travel allowance.

Travel diary

A travel diary is a record of your travel movements and activities. It will help you work out the work-related and private elements of your trip.

If you travel away from home for 6 or more nights in a row, you need to keep a travel diary, except in the following circumstances:

- you travel within Australia and meet the eligibility for the record keeping exception
- you are an airline crew member on an overseas flight, and you claim a deduction for less than the allowance you receive.

You must record your travel movements and activities in an electronic or paper diary or journal before they end, or as soon as possible afterwards, including:

- where you were
- what you were doing
- the date, and start and end times of the activities.

This is a general summary only
For more information go to ato.gov.au/overnighttravelexpenses or speak to a registered tax professional.

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