SIRAGUSA ACCOUNTANTS & ADVISERS

Australian Government
Australian Taxation Office

If you're a tradie it pays to learn what you can claim

To claim a deduction for work-related expenses:

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

You can only claim the work-related portion of an expense. You can't claim a deduction for any part of an expense that does not directly relate to earning your income.

* You can use the myDeductions tool in the ATO app to keep track of your expenses and receipts throughout the year.

Car expenses

- **You can't claim** the costs of trips between home and work, even if you live a long way from your usual workplace or have to work outside normal business hours – for example, weekend work.
- **You can claim** the cost of using a car you own when you drive:
  - directly between separate jobs on the same day (but not if one of the places is your home) – for example, travelling from your first job as an electrician to your second job as a TAFE teacher
  - to and from an alternative workplace for the same employer on the same day, for example from one work site to another work site
  - from home directly to an alternative workplace – for example, travelling from home to a training venue to attend a work-related training course.
- In limited circumstances, **you can claim** the cost of trips between home and work, where:
  - you have shifting places of employment (that is, you have no fixed place of work and you continually travel from one work site to another throughout your workday)
  - you carry bulky tools or equipment for work and all of the following apply
    - the tools or equipment are essential to perform your employment duties and you don't carry them merely as a matter of choice
    - the tools or equipment are bulky, meaning that because of the size and weight they are awkward to transport and can only be transported conveniently using a motor vehicle
    - there is no secure storage for the items at the workplace.

If you claim car expenses, you can use the logbook method or the cents per kilometre method to calculate your deduction.

If you use the logbook method, you need to keep a valid logbook to determine the percentage of work-related use along with written evidence of your car expenses.

If you use the cents per kilometre method, **you can claim** a set rate for each work-related kilometre travelled. The maximum number of kilometres **you can claim** under this method is 5,000. You must be able to show how you work out your kilometres and that they were work-related.

If you claim your work-related car expenses using one of the above methods, you can't claim any further deductions in the same tax return for the same car. For example, petrol, servicing or insurance costs.

If your vehicle is designed to carry a load of one tonne or more, or 9 or more passengers, such as a ute or minibus, or you use a motorcycle or similar vehicle, you can't use the cents per kilometre method or the logbook method to calculate your claim. **You can claim** the actual costs you incur for the work-related use of your vehicle.

Travel expenses

- **You can claim** travel expenses if you travel away from your home overnight in the course of performing your employment duties. Travel expenses can include meals, accommodation, fares and incidental expenses you incur when travelling for work.
- **You can't claim** a deduction if the travel is paid for, or you are reimbursed by your employer or another person.

Clothing and laundry expenses (including footwear)

With a few exceptions, clothing can't be deducted as a work-related expense.

- **You can't claim** the cost to buy, hire, repair or clean conventional clothing you wear for work, even if your employer requires you to wear it and you only wear these items of clothing at work. 'Conventional clothing' is everyday clothing worn by people – for example, drill shorts, jeans or plain shirts.
- **You can claim** the cost to buy, hire, repair or clean protective clothing. Protective clothing has protective features or functions which you wear to protect yourself from specific risks of injury or illness at work. For example, steel-capped boots, safety glasses or fire-resistant clothing.
- **You can't claim** a deduction if your employer pays for or reimburses you for these expenses.

Tools and equipment expenses

- **You can claim** the cost of tools and equipment you use for work, including repairs and insurance.

  If a tool or equipment costs:
  - more than $300 – you claim a deduction for the cost over several years (decline in value)
  - $300 or less (and doesn't form part of a set that costs more than $300) – **you can claim** an immediate deduction for the whole cost.
- **You can't claim** tools and equipment that are supplied by your employer or another person.

  If you also use the tools and equipment for private purposes, you can only claim the work-related portion.

Other expenses

- **You can claim** the work-related portion of other expenses that relate to your employment, including:
  - renewing your licence, regulatory permit, card or certificate to continue to perform your work duties
  - sunscreen, sunhats and sunglasses where your duties require you to spend prolonged periods working outdoors
  - phone and internet costs, with records showing your work-related use
  - overtime meal expenses that you buy and eat when you work overtime, if your employer paid you an overtime meal allowance under an industrial law, award or agreement for the overtime and it's included in your assessable income.
- **You can't claim** private expenses such as driver's licence, music subscriptions, fines, fitness expenses or childcare.

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

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