SIRAGUSA ACCOUNTANTS & ADVISERS

Australian Government
Australian Taxation Office

If you're in the agriculture industry 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.

Vehicle expenses

- **You can't claim** the cost of normal trips between home and work, even if you live a long way from your usual workplace or work outside normal business hours.
- **You can claim** the cost of using your vehicle when you drive:
  - directly between separate jobs on the same day (but not if one of the places is your home) – for example, from your first job as a fruit picker to your second job to test soil for crop research
  - to and from an alternative workplace for the same employer on the same day – for example, between cane fields for your employer
  - from home directly to an alternative workplace – for example, travelling from home to meet a client at their business premises which is not your regular work location.
- In limited circumstances, **you can claim** the cost of trips between home and work, where you carry bulky tools or equipment for work. All of the following must 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 must use the logbook method or the cents per kilometre method to calculate your deduction.

If you claim 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, 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, all-terrain vehicle (ATV) 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 – for example, carting cattle long distances between farms. 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.
- **You can't claim** the cost to transfer or relocate to a new work location. This is the case whether the move is a condition of your existing job or you are taking up a new job.

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, footy shorts, track pants, jeans, drill shorts or jackets.
- **You can claim** the cost to buy, hire, repair or clean clothing if it is protective. Protective clothing has features and functions to protect you from specific risks of injury or illness at work. For example, a cattle farmer can claim gloves and steel-capped boots.
- **You can't claim** a deduction if your employer pays for or reimburses you for these expenses.

Licences, permits and cards

- **You can't claim** your driver's licence or the initial cost of getting a special licence or certificate in order to gain employment. For example, a heavy vehicle permit, firearm licence or forklift licence.
- **You can claim** the additional costs to renew a special licence, condition on your licence or certificate in order to perform your work duties. For example, if you need to have a forklift licence to get your job, **you can't claim** the initial cost of getting the licence. However, **you can claim** the cost of renewing it during the period you are working.

Other expenses

- **You can claim** the work-related portion of other expenses if they relate to your employment, including:
  - working dog and working horse expenses, such as food, vet bills and miscellaneous items like the decline in value of a saddle
  - hats and sunscreen if you work outdoors for prolonged periods
  - union and professional association fees
  - phone and internet costs, with records showing your work-related use
  - technical or professional publications, and
  - tools, equipment you use for work, such as a chainsaw or fencing tools. If the 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** private expenses, such as music subscriptions or childcare.

This information is for employees who work in agriculture. It doesn't apply to hobby farmers.

If natural disasters are causing you financial difficulties, phone us and we can help you manage your tax.

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

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