



Income, deductions, offsets and records

What income you need to declare, deductions and offsets you can claim and records you need to prove your claims.

Income you must declare

Work out which income you need to declare in your tax return, such as employment, government and investment income.

Deductions you can claim

Find out which expenses you can claim as income tax deductions and work out the amount to claim.

Tax offsets

Check whether you will receive a tax offset and how to calculate it.

Records you need to keep

Records you need to show a payment or expense, the format to keep your records in, and how long to keep them.

Income tests

What income is used to work out your eligibility for some tax effects and benefits

In detail



Detailed information about income, deductions, offsets and records.

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Records you need to keep

Records you need to show a payment or expense, the format to keep your records in, and how long to keep them.

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On this page

What is a record?

The importance of keeping records

How long to keep your records

Format of your records

Record keeping exceptions

Record keeping relief

What is a record?

Records are written evidence of your income or expenses, these can be either paper or electronic. You need to keep records that support the claims you make in your tax return.

For most expenses you need a receipt or similar document from the supplier. An acceptable record shows all of the following:

- the name or business name of the supplier

- the amount of the expense or cost of the asset
- the nature of the goods or services you buy
- the date you buy the goods or services
- the date the document was produced.

A bank or credit card statement that doesn't include all of the above information is not an acceptable record on its own.

In some specific circumstances, there are [record keeping exceptions](#).

The type and format of records you need will differ depending on what they are for, find out what records you need for:

- [Payments or amounts you receive](#)
- [Deductible expenses](#)
- [Work-related expenses](#)
- [Investments and assets](#)

Payments or amounts you receive

If you receive income or other payment amounts you need to declare in your tax return, you need records that show the amounts. You may need to provide us a copy of the records if we review a tax return you lodge.

For salary, wages, allowances, government payments or pensions and annuities you receive, your records may include:

- your income statement if your employer reports to us through single touch payroll (STP)
- your Pay as you go (PAYG) payment summary – individual non-business
- a signed letter or statement from your payer, that provides the same information as an income statement or payment summary
- your PAYG payment summary – superannuation income stream.

For assessable investment income from interest, dividend and distributions from managed funds, your records may include:

- interest, dividends or distributions statements

- Standard Distribution Statement (SDS) and Attribution managed investment trust member annual (AMMA) statement, that shows
 - the amount of your distribution
 - the amount of any primary production or non-primary production income
 - any capital gains or losses
 - any foreign income
 - your share of any credits, such as franking credits.

Deductible expenses

If you claim a deduction for a deductible expense, you must have records. Examples include the cost of managing your tax affairs or gifts and donations you make to a deductible gift recipient.

For most expenses you need a receipt or similar document as evidence of your expenses.

For information about specific records you need for gifts and donations, see [Keeping records of gifts and donations](#).

Work-related expenses

Work-related expenses are expenses you incur in earning your salary and wage income.

If you claim a deduction for a work-related expense, you must have:

- written evidence, such as a receipt or invoice, setting out all of the following:
 - the name or business name of the supplier
 - the amount of the expense
 - the nature of the goods and services you buy
 - the date you buy for the goods and services
 - the date the written evidence was prepared
- records of those expenses that show the expense directly relates to earning your income.

To show how the expense relates to earning your income, you need a diary or similar record that shows:

- your private and work-related use
- how you calculate the amount you claim as a deduction.

You can only claim a deduction for the work-related portion of an expense. When you use the items for both private and work purposes, you need to apportion your deduction.

There are some specific exceptions from keeping records for certain work expenses, see [Record keeping exceptions](#).

For information about records you need for work-related expenses, see:

- Calculating your car expense deductions and keeping records
- Keeping records of vehicle expenses
- Keeping records for transport expenses
- Keeping travel expense records
- Keeping records for depreciating assets
- Keeping records for clothing, laundry and dry-cleaning
- Record keeping for the fixed rate method
- Record keeping for actual costs method
- Keeping records for self-education expenses
- Overtime meal allowance expense records
- Keeping records for mobile phone, mobile internet and other devices
- Keeping records for home phone and internet services

For a summary of work-related expense records, download [Keeping records for work-related expenses \(PDF, 208KB\)](#) [📄](#).

Record for local government councillors

If you received an allowance from a council where you are a councillor, you need to keep written evidence of the work-related and car expenses you incur in carrying out your duties as a councillor.

Expenses which allow you to maintain a public profile as local government councillors are deductible.

Investments and assets

If you acquire a capital asset you may make a capital gain or capital loss if you later sell the asset. To ensure you don't pay more tax than necessary, keep good records from when you buy the asset.

This may include income you receive from an investment property or dividends from shares.

For information about the records you need for investments and assets, see:

- Keeping records of shares and units
- Records for rental properties and holiday homes
- Keeping records for property – your main residence and inherited dwellings
- Keeping crypto records

The importance of keeping records

Australia's tax system relies on self-assessment so we accept that the information you give us is accurate. If we review your tax return and you don't have evidence to support claims for a deduction, your claims can be disallowed (taken off your tax return).

Keeping good records helps you and your tax adviser:

- to provide written evidence of your income and expenses
- prepare your tax return
- ensure you are able to claim all your entitlements
- prove the information you provide in your tax return (in case we ask you)
- reduce the risk of tax audits and adjustments
- improve communication with us
- resolve issues that relate to a dispute of your assessments or adjustments

- avoid exposure to penalties.

Keeping good records reduces the cost of managing your tax affairs. If you use a tax advisor, you can reduce the time they spend sorting and preparing your records. This will give them more time to ensure you claim your entitlements.

If you incur expenses that you use partly for private purposes, you must have records that show how you worked out the part of expenses that you incur in earning assessable income.

For more information, see *PS LA 2005/2 Penalty for failure to keep or retain records*.

How long to keep your records

You must keep your written evidence for **5 years** from the date you lodge your tax return.

In limited circumstances, there are different time periods for keeping records or [record keeping exceptions](#).

In the following situations the period for keeping records is:

- 5 years from the date of your last claim for decline in value, if you claim a deduction for the decline in value of depreciating assets
- 5 years after it is certain that no **capital gains tax (CGT) event** can happen, if you acquire or dispose of a CGT asset
- for the later of following periods if you are in dispute with us, either
 - 5 years from the date you lodge your tax return
 - 5 years from the date the dispute is resolved.

Format of your records

You can keep your records in paper or electronic format, including photos of your written evidence. If you make paper or electronic copies of your records, they must be a true and clear copy of the original record.

Your records must be in English where you incur the expense in Australia. However, if you incur the expense in a country outside Australia, the document can be in the language of that country. If your

record is not in English, you need to translate them to English using an authorised translation office.

You can use any electronic device or app to keep your electronic records. However, we recommend backing up your electronic records regularly.

Keeping records with myDeductions

Our myDeductions tool in the ATO app is a record-keeping tool you can use to keep track of your records electronically.

Using the myDeductions tool makes keeping your records including photos easier.

We recognise documents you store digitally, including photos of your receipts as records.

Sole traders with simple affairs can also use it to help keep track of their business income and expenses.

You can upload your records from the myDeductions tool and pre-fill your tax return in myTax. If you use a registered tax agent, you can also email your records directly to them.

The myDeductions tool allows you to keep your records for:

- all work-related expenses (including car trips)
- interest and dividend deductions
- gifts or donations
- costs of managing tax affairs
- sole trader expenses and business income
- other deductions.

Media: Payments or amounts you receive

<http://tv.ato.gov.au/ato-tv/media?v=bd1bdiubgsm84>

Record keeping exceptions

There are also some record keeping exceptions available to make things simpler. Exceptions don't allow you to claim an automatic deduction. In limited circumstances we may also grant relief from the effects of failing to keep records.

In some circumstances you may not need receipts, but you still need to show you spent the money and how you calculate your claim.

Specific exceptions are:

- [Total work-related expenses \\$300 or less](#)
- [Total laundry expenses \\$150 or less](#)
- [Small expense receipts](#)
- [Hard to get receipts](#)
- Record keeping exceptions for travel allowance expenses
- Record keeping exception for overtime meals

Total work-related expenses \$300 or less

If your claim for work-related expenses is more than \$300, you must have written evidence to support all your claims.

However, if your total claim for work-related expenses is \$300 or less, you can claim a deduction without written evidence. You must be able

to show you spent the money and how you calculate the amount of your claim.

The \$300 deduction limit for work-related expenses doesn't apply to claims for car expenses, meal allowances, award transport payments allowance, or travel allowance expenses.

Total laundry expenses \$150 or less

If your total claim for laundry expenses is \$150 or less (excluding dry-cleaning expenses), you can claim a deduction without written evidence. You must be able to show you spent the money and how you calculate the amount of your claim.

Even if your deduction for work expenses is more than \$300, you can still claim a deduction for laundry expenses up to \$150 without written evidence. However, the \$300 limit for work expenses still applies, this exception doesn't increase the \$300 limit for work expenses to \$450.

Where the total amount of work expenses is more than \$300, and your laundry expenses total more than \$150, you must keep written evidence of all your laundry expenses (not just the amount above \$150).

For more information, see [Keeping records for clothing, laundry and dry-cleaning](#).

Small expense receipts

If you are unable to get a receipt from a supplier, you may still be able to claim a deduction if you have evidence you incur the expense.

Small expenses are expenses you incur that are \$10 or less, as long as your total claim for an income year for small expenses is \$200 or less.

You can still claim a deduction if you can make a record of the small expenses. Your record must be made as soon as possible after incurring the expense and provide details of:

- the name or business name of the supplier
- the amount of the expense or cost of the asset
- the nature of the goods or services you buy
- the date you buy the goods or services
- the date the record was made.

If the expense is the decline in value of a depreciating asset you must record:

- a description of the asset
- the amount of decline in value
- who made the record
- the date the record was made.

Hard to get receipts

If you incur expenses where it is hard to get receipt, you can make a record of the expenses instead of getting a document from the supplier. Hard to get receipt expenses can be more or less than \$10 and are excluded from the \$200 limit for small expenses.

The record you keep must be made as soon as possible after the expense is incurred and provide details of:

- the name or business name of the supplier
- the amount of the expense or cost of the asset
- the nature of the goods or services you buy
- the date you buy the goods or services
- the date the record was made.

Record keeping relief

We may also grant relief from the effects of failing to keep records in limited circumstances.

Specific circumstances where relief from the effects of failing to keep records include:

- [Unable to get a receipt from the supplier](#)
- [Reasonable expectation that records weren't required](#)
- [Lost or destroyed records](#)

Unable to get a receipt from the supplier

We may grant you relief from keeping records, if the nature and quality of your evidence shows you spent the money and are entitled to claim

a deduction.

Your evidence may include:

- a bank or credit card statement that shows
 - the amount that was paid
 - when and to who amounts were paid

A bank or credit card statement is not sufficient evidence on its own, you also need:

- other documents that outline the nature of the goods or services
- a written record in your work diary.

If you pay cash to a supplier and have no other documents to support your claim, you will not have sufficient evidence to claim a deduction.

Reasonable expectation that records weren't required

If you don't have the records you need to claim a deduction, we may grant relief from substantiation (keeping records) if:

- there is sufficient evidence to indicate that you incurred the expense and it is deductible
- you can show the only reason you didn't keep records was a genuine belief that you did not need to keep records
- your belief that you did not have to keep records was reasonable in all the circumstances.

Relief will not be granted if you did not keep records because:

- you don't know how the record keeping provisions operate
- you have carelessly or recklessly disregarded whether an exception would apply.

For example, if you were under the impression that you only had to provide records for work expenses greater than \$300, the relief from keeping records for the first \$300 of expenses would not be granted.

Lost or destroyed records

If your records are accidentally lost or destroyed, you may be able to claim a deduction for certain expenses. For example, your records are

stolen during a burglary or destroyed in a disaster.

You can claim a deduction, if you can provide a complete copy of the lost or destroyed records – you can treat these records as the original from the time of the loss or destruction.

If you are unable to get a complete copy or a substitute document that meets all the original requirements for the record, we may also grant relief from substantiation (keeping records). This may occur where:

- there is sufficient evidence to indicate that you incurred the expense and it is deductible
- you can provide evidence that the loss or destruction of your records occurred
- documents have been lost or destroyed despite your taking reasonable precautions
- you have tried and get a substitute record that meets all the original requirements for the record, and
 - you can show you made an effort, or there were reasonable grounds to believe your efforts wouldn't be successful, to get a substitute document
 - it was not reasonably possible for you to get a substitute document.

We may also be able to help you with **Reconstructing your tax records**.

For more information on the relief from the effects of a failure to substantiate expenses, see *TR 97/24 Income tax: relief from the effects of failing to substantiate*.

Documents to support and verify your claims



Find out what documents you may need to provide us to verify the amounts you claim in your tax return.

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On this page

What you need to do

Keeping your tax records

Making a voluntary disclosure

Income

Deductions

Medicare levy exemption

Tax Offsets

Supplementary income

Supplementary deductions

Supplementary offsets

What you need to do

If we ask you to provide supporting documents:

- read this page to find out what supporting documents you need to provide for each claim type
- send us copies of the relevant documents.

Ensure copies you provide are clear and readable, otherwise we may ask you to provide them again. We are unable to return copies of documents to you.

Don't send your original documents to us. Don't provide a USB device as it will delay the processing of your audit. You may be requested to provide original documents to us at a later date.

Keeping your tax records

If an expense is subject to substantiation, it must be supported by particular forms of written evidence – if not, your claim is not deductible. In other cases, you need to provide sufficient evidence to satisfy us that you incurred the expense.

Generally, you need to keep your records for 5 years from the date you lodge your tax return.

We request you provide enough information in a format that helps us to complete our review of your tax return.

A bank or credit card statement is not an acceptable record on its own.

For more information on the format of your records and how long to keep them, see [Records you need to keep](#)

Making a voluntary disclosure

If you make a voluntary disclosure, you can generally expect a reduction in the administrative penalties and interest charges that would normally apply. Administrative penalties are those we may impose without taking court action.

Income

Read about supporting documents you need to provide for the following types of income:

- [Salary or wages](#)
- [Allowances](#)
- [Australian Government allowances and payments](#)
- [Australian Government pensions and allowances](#)
- [Attributed personal services income](#)
- [Gross interest](#)
- [Dividends](#)

Salary or wages

Provide the following supporting documents for your salary or wages:

- your employer's name and address
- the name and contact phone number of your manager or payroll or accounting area (at the above employer)
- a copy of your original payment summary issued by your employer (if there is no end-of-year income statement in ATO online services in myGov).

If you did not receive an original payment summary, and there is no end-of-year income statement in ATO online services in myGov, provide as many of the following additional items as possible:

- copies of your original bank statements showing the deposits of payments from your employer
- copies of your original payslips you received showing your income and tax withheld
- copies of any other original documents or information that may help us verify the employment information on your tax return – for example, a statutory declaration.

If you receive Foreign Employment Income you need to provide evidence of foreign tax paid.

The following documents are acceptable evidence of the payment of foreign tax:

- a statement from the foreign tax authority setting out the particulars that would normally be recorded on a notice of assessment, or a similar official receipt
- or other document evidencing payment of foreign income tax.

If the foreign notice has no provision for a cash register receipt, taxpayers will be required to provide a separate receipt to indicate that the foreign tax liability has been paid. A notice of assessment which does not show that the foreign tax has been paid is not sufficient proof that the tax shown on such a notice has been paid.

If you are unable to provide all of the above documents, or if you are an associate of your payer, we may need to seek further information from you.

Allowances

Provide the following supporting documents for your **allowances**:

- your employer's name and address
- the name and contact phone number of your manager (at the above employer)
- copies of your original payment summary issued by your employer.

If you did not receive an original payment summary, provide copies of your original payslips you received showing your allowances and tax withheld.

We also require a breakdown and description of all the allowances you received, including:

- how much you received as an allowance
- what expenses the allowance was paid to cover
- a copy of the employment contract, award or workplace or enterprise bargaining agreement the allowance is paid under.

If you are unable to provide all of the above documents, or if you are an associate of your payer, we may need to seek further information from you.

Australian Government allowances and payments

Provide documents to show all of the taxable **Australian Government allowances and payments** you received and any overpayments you have repaid for the income year.

Australian Government pensions and allowances

Provide documents to show all of the taxable **Australian Government pensions and payments** you received and any overpayments you have repaid for the income year.

Attributed personal services income

Provide the following supporting documents for your **attributed personal services income**:

- the name and contact phone number of the person who paid you
- a copy of your original payment summary – business and personal services income showing the amount of personal services income

attributed to you and the total amount of tax paid or withheld

- details of any other personal services income attributed to you for the personal services you provided.

If you can't provide any of the above, provide the following:

- copies of original bank statements showing the deposits of payments from the person who paid you
- copies of any other original documents or information that may help us verify the information on your tax return.

Gross interest

For any **interest** paid or credited to your account from any source in Australia including:

- accounts and term deposits held with financial institutions
- interest from children's accounts you opened or operated with funds that belonged to you or funds that you used as if they belonged to you.

Interest does not include any interest credited to a first home saver account.

What you need to provide when contacted about your interest claim:

- If the interest income shown in our letter is not correct or does not belong to you personally, you should provide information and documents to support your position, including copies of the statements.
- If the interest has been declared in an associated return – for example, a partnership, trust, company or superannuation fund – give us the details.

You should also ask the bank to record that tax file number (TFN) against the accounts. This will help us to match the interest to the correct tax return in future years.

Dividends

What you need to provide supporting documents for your **dividends**:

- a copy of all dividend statements from the Australian company of the dividends that were paid to you or had made distributions to

you during the income year – these include dividends applied under a dividend reinvestment plan and bonus shares that qualify as dividends

- if the shares were in joint names, just provide only your portion of the dividends.

If you can't provide any of the above, provide the following:

- copies of original bank statements showing the deposits of payments from the company
- copies of any other original documents or information that may help us verify the information on our tax return.

Non-primary production losses carried forward from earlier income years

What you need to provide:

- details of the type of losses and the income year the loss was made
- a copy of your worksheets showing how you calculated the losses
- documentary evidence to support the losses, such as copies of trading statements.

Non-primary production losses claimed this income year

What you need to provide:

- details of why you believe you are entitled to claim a tax loss from earlier income years
- details of the type of losses
- a copy of your worksheets showing how you calculated the losses
- documentary evidence to support the losses, such as copies of trading statements.

Deductions

This section outlines the supporting documents you need to provide for:

- [Work-related car expenses](#)
- [Work-related travel expenses](#)

- [Work-related clothing, laundry and dry-cleaning expenses](#)
- [Work-related self-education expenses](#)
- [Work from home expenses](#)
- [Other work-related expenses](#)
- [Low-value pool deduction](#)
- [Interest deductions](#)
- [Dividend deductions](#)
- [Gifts or donations](#)
- [Cost of managing tax affairs](#)

Work-related car expenses

Find out what supporting documents you need to verify your claim when you use either:

- [Cents per kilometre method](#)
- [Logbook method](#)

Cents per kilometre method

If you claimed a deduction for car expenses using the cents per kilometre method, provide the following:

- copies of the car registration certificate or papers
- a record of how you worked out your business kilometres per car, per income year – for example, you should advise the
 - purpose of the travel undertaken
 - frequency of any work-related travel
 - number of kilometres travelled for work-related purposes
- if your claim relates to the transport of bulky tools and equipment, provide a list of all work items carried, the weight and size - if work items are carried in a bag provide the dimensions and weight of the bag
- details of the storage available for your tools and equipment at your workplace, including details about where it is located, its

dimensions and whether it can be locked

- any other evidence confirming that the travel claimed was undertaken in your car in the course of carrying out your employment duties - this could include
 - a copy of your job description
 - employment contract
 - the relevant award or workplace or enterprise bargaining agreement.

Common issues

The following are common issues encountered with cents per kilometre claims:

- claiming 5,000 km without being able to show how you had travelled 5,000 km
- claiming more than 5,000 km for a single vehicle in a single year
- claiming charging expenses for an electric vehicle in addition to cents per kilometre deduction claimed
- **claiming for a car that you do not own**
- double dipping, claiming additional running expenses for the same car in addition to using the all-inclusive cents per km rate.

Logbook method

If you claimed a deduction for **car expenses** using the logbook method, provide the following:

- details of how your claim was calculated (that is, a description of each item included in the claim and the amount claimed for each expense)
- copies of the purchase or lease documents for your car and copies of the car registration certificate or papers for the income years you are claiming car expenses
- the calculation for the decline in value (depreciation)
- copies of your logbook and odometer records – the logbook **must** contain
 - when the logbook period begins and ends

- the car's odometer readings at the start and end of the logbook period
- the total number of kilometres the car travelled during the logbook period
- the number of kilometres travelled for each journey recorded in the logbook (if you made 2 or more journeys in a row on the same day, you can record them as a single journey) - you'll need to record the
 - odometer readings at the start and end of the journey
 - business kilometres travelled
 - reason for the journey
- the business-use percentage for the logbook period
- the odometer readings at the start and end of each income year you use the logbook method
- copies of original receipts for all car expenses claimed
 - except for fuel and oil receipts if you have used odometer records to estimate your fuel and oil expenses
 - including all fuel and oil receipts if you have not used odometer records to estimate your fuel and oil expenses
 - if your car is a zero emissions vehicle (not a plug-in hybrid vehicle) and you are relying on the home charging rate in *PCG 2024/2 Electric vehicle home charging rate - calculating electricity costs when a vehicle is charged at an employee's or individual's home*
 - an electricity bill for your residence showing you incurred electricity costs, and
 - if your home charging percentage can be accurately determined, evidence of that percentage
- if your claim relates to the transport of bulky tools and equipment, provide
 - a list of all work items you carry, the weight and size (if work items are carried in a bag provide the dimensions and weight of the bag)

- details of the storage available for your tools and equipment at your workplace including details about where it is located, its dimensions and whether it can be locked
- any other evidence confirming that the travel claimed was undertaken in your car in the course of carrying out your employment duties – this could include
 - a copy of your job description
 - employment contract
 - the relevant award or workplace or enterprise bargaining agreement.

Common issues

The following are common issues encountered with logbook claims:

- A logbook has not been kept or has not been kept correctly – you must have a logbook to use the logbook method, even if your business use was 100%, or your business use was a fixed pattern.
- Your usage of the vehicle has changed significantly since the logbook was kept and a new logbook has not been kept to account for this change.
- The number of cars you used for work changed, or you used multiple vehicles for work and did not keep concurrent logbooks.
- The opening and closing odometer readings for the period during the income year the car was owned, have not been kept.
- The use of the car, both private and for work, during the 12-week logbook period is not representative of the use of the car throughout the year. A logbook may have to be kept for longer than 12 weeks if there is no regular pattern of use of the car.

For more information on work-related car and transport deductions, see *TR 2021/1 Income tax: when are deductions allowed for employees' transport expenses?*

Work-related travel expenses

This section outlines the documents you need to provide for the following work-related travel expenses:

- [Travel expenses](#)

- [Travel expenses using Commissioner's reasonable amounts](#)
- [Claims not more than the Commissioner's reasonable amounts](#)
- [Claims that exceed the Commissioner's reasonable amounts](#)
- [Tolls](#)
- [Parking](#)
- [Public transport](#)
- [Taxis and ride sharing](#)
- [Motor vehicle with a carrying capacity greater than one tonne or more than 9 passengers](#)

Travel expenses

If you claimed travel expenses, provide the following:

- an employment contract, job description or duty statement showing that you needed to travel in the course of performing your work
- details of any travel allowances or reimbursements received, including
 - the name of the workplace or enterprise bargaining agreement the allowance is paid under
 - how the allowances or reimbursements were calculated
 - details of the expenses they are paid to cover
- a copy of the final payslip for the income year issued by your employer
- an explanation of how the travel was work related
- details of any persons that accompanied you and their relationship to you, and details of how you worked out the proportion you claimed
- a travel diary for each trip that was for 6 nights or more – the diary must show what you did each day for work or private purposes while travelling
- details of any private travel, for example a holiday after work-related travel and an explanation of how you apportioned your claim

- copies of all receipts for all meals, accommodation, flights and incidentals you are claiming.

You should provide an explanation of how each expense was incurred in the course of earning your assessable income and cross-reference your receipts and other evidence with the list of expenses.

If you are a FIFO (fly in fly out) worker, provide the following:

- an employment contract, job description or duty statement showing that you needed to travel in the course of performing your work
- details of any allowances or reimbursements received, including
 - the name of the workplace/enterprise bargaining agreement the allowance is paid under
 - how the allowances or reimbursements were calculated
 - details of the expenses they are paid to cover
- details of your jump or transit point (for example, location you commence to be employed)
- an explanation of how the travel was work-related
- details of how you worked out the proportion you claimed
- copies of all receipts for all meals, accommodation, flights and incidentals you are claiming.

You should provide an explanation of how each expense was incurred in the course of earning your assessable income and cross-reference your receipts and other evidence with the list of expenses.

Travel expenses using Commissioner's reasonable amounts

You cannot claim overnight travel expenses based only on the numbers of days you slept away from home multiplied by the Commissioner's reasonable amounts.

If you claimed travel expenses (meals, accommodation and incidental expenses) using Commissioner's reasonable amounts, provide the following:

- an employment contract, job description or duty statement showing that you needed to travel in the course of performing your work

- details of any allowances or reimbursements received, including
 - the name of the workplace or enterprise bargaining agreement the allowance is paid under
 - how the allowances or reimbursements were calculated
 - details of the expenses they are paid to cover
- a copy of the final payslip for the income year issued by your employer
- an explanation of how the overnight travel was work related
- details of any persons that accompanied you and their relationship to you, and details of how you worked out the proportion you claimed
- information to show you incurred the travel expenses claimed – this could include
 - hotel booking confirmations
 - credit card or bank statements showing accommodation or meal expenses
 - menus from places you ate at
 - the cost of those meals
 - other evidence
- the number of nights you slept away from home and the location
- how you calculated the amount claimed, including a list of expenses claimed
- if you travelled overseas, receipts for all of your accommodation expenses and a travel diary if you travelled overseas for 6 or more nights in a row.

You should provide an explanation of how each expense was incurred in the course of earning your assessable income and cross-reference your receipts and other evidence with the list of expenses.

Claims not more than the Commissioner's reasonable amounts

The following are common issues encountered with travel expense claims not more than the Commissioner's reasonable amounts:

- claiming when you did not receive a travel allowance, and you do not have written evidence to support your claims
- claiming based on the Commissioner's reasonable amounts multiplied by the number of nights away, when the expenses incurred were less than this
- claiming a deduction for travel when you received a travel allowance and did not declare the travel allowance as income on your tax return.

You can only claim a deduction for the amount you incurred on travel expenses, and you must be able to show the travel expenses were actually incurred.

Claims that exceed the Commissioner's reasonable amounts

The following are common issues encountered with travel expense claims that exceed the Commissioner's reasonable amounts:

- Not keeping a travel diary for domestic or overseas travel of 6 nights or more
- Claiming when you do not have written evidence to substantiate your expenses.

To find out the reasonable travel and overtime meal allowance expense amounts for the current and previous income years, see:

- *TD 2018/11 Income tax: what are the reasonable travel and overtime meal allowance expense amounts for the 2018–19 income year?*
- *TD 2019/11 Income tax: what are the reasonable travel and overtime meal allowance expense amounts for the 2019–20 income year?*
- *TD 2020/5 Income tax: what are the reasonable travel and overtime meal allowance expense amounts for the 2020–21 income year?*
- *TD 2021/6 Income tax: what are the reasonable travel and overtime meal allowance expense amounts for the 2021–22 income year?*
- *TD 2022/10 Income tax: what are the reasonable travel and overtime meal allowance expense amounts for the 2022–23 income year?*
- *TD 2023/3 Income tax: what are the reasonable travel and overtime meal allowance expense amounts for the 2023–24 income year?*

Tolls

You need to provide:

- copies of receipts or toll statements which show that you incurred the amount being claimed
- evidence or an explanation of how the tolls were related to travel undertaken in the course of performing your employment duties
- details of how you worked out the portion of the expense that was related to your work, for example, work-related trips highlighted.

Parking

You need to provide these supporting documents for your **parking fees**:

- copies of receipts or other documents which show that you incurred the amount being claimed
- evidence or an explanation of how the parking was related to travel undertaken in the course of performing your employment duties
- details of how you worked out the portion of the expense that was related to your work.

Public transport

You need to provide these supporting documents for your **public transport expenses**:

- copies of tickets, public transport card statements, receipts or other documents which show that you incurred the amount being claimed
- evidence or an explanation of how your travel on public transport was undertaken in the course of performing your employment duties
- details of how you worked out the portion of the expense that was related to your work.

Taxis and ride sharing

You need to provide these supporting documents for your **taxi, ride-share expenses**:

- copies of receipts, account statements, or other documents which show that you incurred the amount claimed

- evidence or an explanation of how your travel by taxi or ride sharing was undertaken in the course of performing your employment duties
- details of how you worked out the portion of the expense that was related to your work.

Motor vehicle with a carrying capacity greater than one tonne or more than 9 passengers

You need to provide these supporting documents for your expenses for a vehicle that isn't yours or isn't a car:

- if your claim relates to the transport of bulky tools and equipment, provide a list of all work items carried, the weight and size (if work items are carried in a bag provide the dimensions and weight of the bag)
- details of the storage available for your tools and equipment at your workplace, including details about where it is located, its dimensions and whether it can be locked.

For each vehicle you claim provide:

- copies of the purchase or lease documents, including evidence the carrying capacity was over one tonne or 9 or more passengers
- copies of the vehicle registration certificate or papers
- explanation and supporting documents, such as a diary of how you calculated your work use percentage
- a list of each expense and amount claimed
- copies of original receipts for all expenses (including fuel and oil costs)
- the decline in value schedule or details of how you calculated your claim, including the effective life and the method used (prime cost or diminishing value) and an explanation of how you calculated the work-related portion of the vehicle.

Ensure copies of original purchase receipts or invoices are provided.

If you borrow a car that is owned or leased by someone else, you may be able to claim costs incurred if you use the car for your work as an employee. These expenses include petrol, oil and repair costs directly related to your use of the car for work purposes.

For more information on the effective life of depreciating assets, see *TR 2022/1 Income tax: effective life of depreciating assets (applicable from 1 July 2022)*.

Work-related clothing, laundry and dry-cleaning expenses

This section outlines the supporting documents you need to provide for expenses claimed for your work-related:

- [Uniform](#)
- [Laundry](#)
- [Dry-cleaning](#)

Uniform

If you claimed the cost of a work uniform that is distinctive (such as one that has your employer's logo permanently attached to it), it must be either a:

- **non-compulsory uniform** that your employer has registered on the Register of Approved Occupational Clothing (check with your employer if you are not sure)
- **compulsory uniform** that can be a set of clothing or a single item that identifies you as an employee of your employer's organisation – there must be a strictly enforced policy making it compulsory to wear that clothing at work. Items may include shoes, stockings, socks and jumpers where they are an essential part of a distinctive compulsory uniform and the colour, style and type are specified in your employer's policy.

You need to provide:

- a copy of your employer's uniform policy
- if your employer doesn't have a uniform policy, a description of the uniform you were required to wear and evidence that it is compulsory to wear the clothing at work
- copies of receipts.

You can also claim the cost of:

- **occupation-specific clothing** which allows people to easily recognise that occupation (such as the chequered pants a chef

wears when working) and which are not for everyday use

- **protective clothing** and footwear to protect you from the risk of illness or injury, or to prevent damage to your ordinary clothes, caused by your work or work environment. Items may include fire-resistant clothing, sun protection clothing, safety-coloured vests, non-slip nurse's shoes, steel-capped boots, gloves, overalls, aprons, and heavy duty shirts and trousers (but not jeans). You need to provide a description of the protective clothing and equipment you were required to wear and copies of receipts.

You can claim the cost of protective equipment, such as hard hats and safety glasses at [Other work-related expenses](#).

You can claim the cost of renting, repairing and cleaning any of the above work-related clothing.

Laundry

You need to provide these supporting documents for your laundry:

- a description of the work-related clothing worn
- details of how you calculated your claim
- if the laundry claim exceeds \$150, provide receipts.

Claims for laundry expenses that do not exceed \$150 can be based on a cost of:

- \$1 per load if you wash only your work clothes
- 50 cents per load if you wash other clothes together with your work clothes.

To make a claim for laundry in this manner, the clothing being laundered must be a uniform, occupation specific clothing or protective clothing.

You can't claim the cost of purchasing or cleaning plain clothes, such as black trousers, white shirts, suits and stockings, even if your employer requires you to wear them.

Dry-cleaning

You need to provide these supporting documents for your dry-cleaning:

- a description of the work-related clothing worn

- copies of receipts.

Work-related self-education expenses

A claim for **self-education expenses** related to your work as an employee is available if you work and study at the same time and can satisfy any of these conditions:

- you are upgrading your qualifications for your current employment
- you are improving specific skills or knowledge used in your current employment
- you are employed as a trainee, and you are undertaking a course that forms part of that traineeship
- you can show that at the time you were working and studying, your course led, or was likely to lead, to an increase in income from your current employment.

You can't claim a deduction for work-related self-education expenses for a course that either:

- relates only in a general way to your current employment or profession
- will enable you to get new employment.

Provide the following:

- a list of the expenses and the amount of each expense claimed along with
 - full details of the course you undertook
 - the name of the institution where it was undertaken
 - the date you began your course
 - whether you were a full-time or part-time student
 - a copy of the course outline
 - the nature of each expense and the amount claimed
- an explanation as to how the course directly relates to your employment at the time you were undertaking the course
- your employment contract including a job description or a duty statement

- copies of original receipts or other documents, for example a Commonwealth Assistance Notice (CAN) to support each expense included in your claim.

You **can't** claim a tax deduction for the following expenses:

- self-education expenses such as tuition fees paid to an education provider by you or the Australian Government under HECS-HELP
- the cost of accommodation and meals associated with day-to-day living expenses
- repayments you make (whether compulsory or voluntary) on debts you may have under the following loan schemes
 - HECS-HELP
 - FEE-HELP
 - VET-FEE-HELP
 - OS-HELP
 - SSL
 - SFSS
 - TSL
 - AASL
 - VSL.

Short course training and on the job training

You need to provide a list of the expenses and the amount of each expense claimed along with:

- full details of the course or training you undertook
- a copy of your course or training outline
- the name of the institution or facility where it was undertaken
- the date(s) you began and completed your course or training
- the nature of each expense and the amount claimed
- an explanation as to how the course or training directly relates to your employment

- your employment contract including a job description or a duty statement
- copies of original receipts or other documents to support each expense included in your claim.

TR 2024/3 *Income tax: deductibility of self-education expenses incurred by an individual* sets out the circumstances when self-education expenses can be allowable as a tax deduction.

Work from home expenses - home office expenses

Home office expenses are broken down into two categories: running expenses and occupancy expenses.

This section outlines the supporting documents to provide for work from home for:

- [Running costs after 1 July 2022](#)
- [Running costs before 1 July 2022](#)
- [Occupancy costs](#)

Running costs after 1 July 2022

Running expenses are costs associated with using the home. These costs will increase due to an employee working from home.

From 1 July 2022 there are 2 methods available to calculate your claim. You can claim a fixed rate per hour using the **fixed rate method** or you can calculate your actual expenses using the **actual cost method**.

If you are using the **fixed rate method**, you need to provide:

- an explanation of the work performed from home
- a record of the number of actual hours you work from home during the entire income year – for example, a timesheet, roster, diary or other similar document
- details of how you calculated your claim
- a copy of the purchase receipts for any depreciating assets you used while working from home
- a depreciation schedule for those assets or details of how you calculated your claim, including the effective life and the method used (prime cost or diminishing value) for each asset and copy of

your diary, over a representative four-week period, or other evidence that shows how often you worked out of your home.

For the 2022–23 income year only, if you did not keep a record of the actual hours you worked from home you must be able to provide both:

- a representative record of the total number of hours worked from home during the period from 1 July 2022 to 28 February 2023 – for example, any kind of record of the hours you worked from home for a particular period that you can apply to the whole 8 month period
- a record of the total number of actual hours worked from home for the period 1 March 2023 to 30 June 2023.

If you are using the **actual cost method**, you need to provide:

- an explanation of the work performed from home
- the depreciation schedule or details of how you calculated your claim, including the effective life and the method used (prime cost or diminishing value) for each item
- receipts for the purchase of each depreciating asset
- copy of your diary, over a representative 4-week period, or other evidence that shows how often you worked out of your home
- if you claimed electricity, heating, cooling, and lighting
 - evidence of the total cost of the utility service for the year of income such as a copy of your utility bills
 - the cost per unit of power used - refer to your utility bill for this information
 - the average units used per hour - this is the power consumption per kilowatt hour for each appliance, equipment or light used
 - the total annual hours used for work-related purposes based on your diary
- receipts for any other expenses you claimed

If you had a dedicated home office and claimed cleaning expenses:

- a floor plan of your home, with the home office space identified. This must show the total floor area of the house and the area of the home office
- copies of receipts.

Running costs before 1 July 2022

Before 1 July 2022 there were 3 ways to calculate your claim. You can claim a fixed rate per hour using the **fixed rate method** or you can calculate your actual expenses using the **actual cost method**. If you worked from home during the period from 1 March 2020 to 30 June 2022, a temporary simplified method (**shortcut method**) was introduced to calculate additional running expenses you incurred as a result of working from home.

If you are using the **fixed rate method**, you need to provide:

- an explanation of the work performed from your home office
- evidence that you had a separate home office
- a copy of your diary over a representative 4-week period, or other evidence that shows how often you worked out of your home office
- details of how you calculated your claim.

If you are using the **actual cost method**, you need to provide:

- an explanation of the work performed from your home
- the depreciation schedule or details of how you calculated your claim, including the effective life and the method used (prime cost or diminishing value) for each item
- receipts for the purchase of each depreciating asset
- a copy of your diary over a representative 4-week period, or other evidence that shows how often you worked out of your home office
- if you claimed electricity, heating, cooling, and lighting
 - evidence of the total cost of the utility service for the year of income such as a copy of your utility bills
 - the cost per unit of power used – see your utility bill for this information
 - the average units used per hour – this is the power consumption per kilowatt hour for each appliance, equipment or light used
 - the total annual hours used for work-related purposes based on your diary
- if you claimed cleaning expenses, copies of receipts and a floor plan of your home, with the home office space identified. This must

show the total floor area of the house and the area of the home office

- receipts for any other expenses you claimed.

The **shortcut method** allowed you to claim 80 cents for each hour you worked from home and covered all deductible running expenses.

You will need to provide a copy of your diary, timesheet, roster or other evidence that shows how often you worked out of your home.

Availability of work from home expenses methods

Method	Availability	Rate
Actual cost	Always available	Calculate actual costs
Fixed rate method	1 July 2018 to 30 June 2019 1 July 2019 to 30 June 2020 1 July 2020 to 30 June 2021 1 July 2021 to 30 June 2022	52 cents per work hour
Shortcut method	1 March 2020 to 30 June 2020 1 July 2020 to 30 June 2021 1 July 2021 to 30 June 2022	80 cents per work hour

For the work from home fixed rates before 2018–19, see PS LA 2001/6 *Verification approaches for home office running expenses and electronic device expenses*.

Occupancy costs

Employees are generally not able to claim occupancy expenses.

Occupancy expenses relate to costs of owning or renting a home. These costs generally won't change from an employee working from

home.

You can only claim the work-related proportion of your **occupancy expenses** if your home office (or other dedicated area of your home) is a place of business. You need to provide the following information and evidence:

- an explanation of the work performed from your home office
- if your employer provides you with an office or work location
- if your employer does provide you with an office or work location, the reasons it was necessary for you to work from home
- your working from home agreement with your employer
- if your employment duties require you to have a place of business
- if your home office (or dedicated area) is clearly identifiable as a place of business
- photos of your home office (or dedicated area)
- if your home office (or dedicated area) is used exclusively or almost exclusively for carrying on a business
- if your home office (or dedicated area) is used regularly for visits of clients or customers
- a floor plan of your home, with the home office space identified (this must show the total floor area of the house and the area of the home office)
- evidence of the amount of rent, mortgage interest, property insurance, land taxes or rates incurred.

If you claim occupancy expenses, you don't qualify for the capital gains tax (CGT) main residence exemption for the part of your home that you use for work. If you use your home as a place of business, there may be CGT implications when you sell it.

For more information, see *TR 93/30 Income tax: deductions for home office expenses*.

Other work-related expenses

Find out what supporting documents you need to verify your claim for:

- [Mobile and home telephone use](#)

- [Internet and data expenses](#)
- [Union dues](#)
- [Memberships and professional registrations](#)
- [Overtime meal expenses](#)
- [Books and magazines for professional library](#)
- [Computer parts, consumables and stationery](#)
- [Purchase of equipment or decline in value](#)
- [Sun protection](#)
- [COVID-19 personal protective items](#)
- [All other expenses](#)

Mobile and home telephone use

You need to provide these supporting documents for your mobile and home telephone use:

- an explanation of how the phone was used for work and how you calculated your claim
- evidence of the total cost of the service for the year of income
- itemised bill with the outgoing private and outgoing work-related calls clearly and distinctly marked and tallied
- if no itemised bill is available – a representative 4-week diary showing your work-related and private use of the service.

Internet and data expenses

You need to provide these supporting documents for your internet and data expenses:

- an explanation of how the internet was used for work and how you calculated your claim, including allowing for usage of other members of your household
- evidence of the total cost of the service for the year of income
- evidence of how you established the work-related portion – this could be

- a diary covering a representative 4-week period showing your work-related use, private use and use by other members of your household of the service
- a record of the amount of data downloaded for work as a percentage of the total data downloaded by all members of your household
- any additional costs incurred as a result of your work-related use, for example, if your work-related use resulted in you exceeding your monthly cap.

Guidance – mobile and home phone, and internet

From 1 July 2022, if you are using the fixed rate method, all expenses related to working from home are included in this rate. This includes mobile and home phone and internet that you use while you are working from home and when you are not working from home. That is, even if you use your mobile phone and internet when you are not working from home, you can't claim a separate deduction for these expenses if you have used the fixed rate method to claim your working from home expenses.

Union dues

You need to provide evidence to show you paid the amount of **union fees** that you are claiming in the income year. You can use your income statement or payment summary as evidence if your union dues are shown on it.

Memberships and professional registrations

You need to provide these supporting documents for your **professional memberships and accreditations**:

- copies of invoices, payslips or bank statements showing the total amount paid in membership fees for the income year
- details of why the expense was connected to your work.

Overtime meal expenses

If you claim less than the reasonable amount for overtime meal expenses, you need to provide supporting documents for your **overtime meal expenses**:

- evidence (such as an employment contract or payslips) confirming

- you were paid an overtime meal allowance
- the amount paid per occasion and the name of the industrial law, award or agreement under which the allowance was paid
- information to show you incurred the overtime meal expenses claimed – this could include credit card or bank statements showing meal expenses, menus from places you ate at and the cost of those meals, or other evidence
- the number of instances you worked overtime and were paid an overtime meal allowance
- a copy of your final payslip for the income year issued by your employer
- an explanation of how you calculated the amount claimed.

If you claim more than the reasonable amount for overtime meal expenses, you need to have a receipt for each overtime meal.

To find out the reasonable travel and overtime meal allowance expense amounts for the current and previous income years, see:

- *TD 2018/11 Income tax: what are the reasonable travel and overtime meal allowance expense amounts for the 2018–19 income year?*
- *TD 2019/11 Income tax: what are the reasonable travel and overtime meal allowance expense amounts for the 2019–20 income year?*
- *TD 2020/5 Income tax: what are the reasonable travel and overtime meal allowance expense amounts for the 2020–21 income year?*
- *TD 2021/6 Income tax: what are the reasonable travel and overtime meal allowance expense amounts for the 2021–22 income year?*
- *TD 2022/10 Income tax: what are the reasonable travel and overtime meal allowance expense amounts for the 2022–23 income year?*
- *TD 2023/3 Income tax: what are the reasonable travel and overtime meal allowance expense amounts for the 2023–24 income year?*

Books and magazines for professional library

You need to provide these supporting documents for your **books, periodicals and digital information**:

- an explanation of how each item relates to your employment duties

- copies of receipts, invoices or other documents which show you incurred the amount claimed
- where the expenses are partially private in nature, details of how you worked out the work-related portion of the claim
- copy of a decline in value schedule for a professional library.

Computer parts, consumables and stationery

You need to provide these supporting documents for your **stationery and office supplies**:

- copies of purchase invoices or receipts for all items
- an explanation for how the expenses were connected with your employment duties
- details of how the work-related portion of your expenses were worked out.

Purchase of equipment or decline in value

You need to provide these supporting documents for your **tools, computers and items you use for work**:

- an explanation for how each item relates to your employment duties
- copies of purchase invoices or receipts for all items
- an explanation of how you calculated the work-related portion for each item
- the decline in value schedule or details of how you calculated your claim, including the effective life and the method used (prime cost or diminishing value) for each item.

Tools and equipment are generally depreciating assets that decline in value over time. How you work out your deduction will depend on if the item cost.

You can claim an immediate deduction for the depreciating asset if it cost \$300 or less and it is:

- used by you more than 50% of the time for a work purpose (that is, to earn non-business assessable income)
- not part of a set that together cost more than \$300

- not one of a number of identical, or substantially identical, items that together cost more than \$300.

You can claim a deduction for the decline in value over the effective life of the item, if the item:

- cost more than \$300
- forms part of a set that together cost more than \$300
- is identical, or substantially identical to, other items that together cost more than \$300.

You need to apportion your deduction if you use the item for both work and private purposes.

Sun protection

You need to provide supporting documents for your **sunscreen and sunhats**:

- copies of invoices or receipts for the expenses
- an explanation of how your employment duties expose you to the sun for prolonged periods
- details of how you worked out the work-related portion of the expenses.

COVID-19 personal protective items

If your specific employment duties require you to have physical contact or be in close proximity to customers or clients while carrying out your duties, or you are involved in cleaning premises, you can claim a deduction for expenditure on **protective items** (such as gloves, face masks, sanitiser, antibacterial spray).

You need to provide:

- a description of the protective clothing and equipment you were required to wear
- copies of receipts.

Legal expenses

If you are claiming legal expenses related to you earning assessable income provide the following:

- itemised tax invoices from lawyers that detail what actions were taken for you and amounts that were charged
- statement of claims that were submitted to the court or tribunal or any legal document from legal representatives that will specify what they are seeking from taking the action (for example, unpaid salary and wages or other weekly payments, damages for dismissal, injuries, medical and like expenses)
- court orders, court decisions or any other legal documents that show what was awarded (or not) to you and any other legal documents that show dollar amounts and what was awarded under each claim (for example, compensation, medical expenses, interest, legal costs) and details of the case
- copies of signed and executed settlement deeds if the matter was settled out of court.
- if you were suspended or terminated or demoted from your job, a notice of termination and/or notice of suspension/demotion from the employer that will identify reasons for suspension or termination or demotion and/or allegations
- if you were not given notices of termination or suspension or demotion, we need evidence of exact dates you were suspended or terminated or demoted, the date you were advised of an investigation (if relevant) and any other relevant dates
- if applicable, a copy of correspondence between the interested parties, for example between you, your tax agent and legal representatives, between legal representatives and employers or other parties
- bank statements to show when the legal expenses were paid.

All other expenses

You need to provide these supporting documents for other **deductions** you can claim:

- copies of invoices or receipts for the expenses
- an explanation for how the expenses were connected to your employment duties
- details of how you worked out the work-related portion of the expenses.

Low-value pool deduction

The following can't be included in a low-value pool:

- assets you have previously claimed deductions for using the prime cost method
- assets that cost \$300 or less for which you can claim an immediate deduction
- assets for which you deduct amounts under the simplified depreciation rules for small business entities
- horticultural plants
- a portable electronic device (such as a mobile phone, personal digital assistant or laptop computer), computer software, protective clothing, a briefcase or a tool of trade, which is primarily for use in your employment, if your employer provided it, paid for it or reimbursed you for any of its cost, and the benefit was exempt from fringe benefits tax.

For your employment, provide the following:

- an explanation of how the assets in your pool are used to earn your income
- evidence to show that you used the assets in your pool to carry out your employment duties (such as a job description, employment contract).

For each year being audited, provide the following information:

- a list of the low-cost or low-value assets included in your claim for low-value pool deduction
- details of how your claim was calculated, including your worksheet used to calculate your claim
- documents showing the purchase price of the assets.

Interest deductions

Provide the following supporting documents for your interest deductions:

- a list of all interest expenses that you have claimed, showing
 - the amount of the expense

- date of the expense
 - who it was paid to
 - the date any loans were obtained
 - the amount of funds borrowed
 - information about what investments the borrowed funds were used to purchase
 - the income you received from these investments during the income year
- documents to support the expenses you have claimed – for example, copies of bank statements, loan agreements
 - calculations regarding how you determined the amount claimed if the loan funds were used to purchase more than one asset, for example, your family home and some shares
 - if you were able to drawdown funds (withdraw cash back) from your loan or line of credit, provide information about what each of those drawdowns was for.

If no income has been received during the income year or is less than the expense claimed, also provide:

- the reason no income or a smaller amount of income was received
- whether you expect to receive a return on the investment and, if so, when and the amounts you expect to receive
- whether income has been received in a previous year and, if so, when the amounts were received.

Dividend deductions

You need to provide these supporting documents for your **dividend and share deductions**:

- a list of all dividend expenses you have claimed, showing
 - the amount of the expense
 - date of the expense
 - who it was paid to
 - the date any loans were obtained

- the amount of funds borrowed
 - the nature of the investments, including whether they are public or private, for example shares in XY Pty Ltd (private company)
 - the income you received from these investments during the income year
- documents to support the expenses you have claimed – for example, copies of bank statements, management fee and investment advice invoices.

If no income has been received during the income year, also provide:

- the reason no income was received
- whether you expect to receive a return on the investment and, if so, when and what amounts you expect to receive
- whether income has been received in a previous year and, if so, when and what amounts were received.

Gifts or donations

Provide a copy of receipts or any other documents you have to support your **gifts and donations** claim showing the:

- names of the recipients of each gift or donation – including the recipient's Australian business number (ABN)
- date that each gift or donation was made
- nature and amount of each gift or donation.

Cost of managing tax affairs

Provide copies of invoices or statements showing the expenses incurred to **manage your tax affairs**. This information should show:

- the amount of the expense
- the date of the expense
- who it was paid to
- the nature of the services provided and who the services were provided to.

Medicare levy exemption

Provide the following:

- details of why you believe you are exempt from the Medicare levy
- if you are exempt from the Medicare levy because you are not entitled to Medicare benefits, a copy of a Medicare entitlement statement from Services Australia.

Tax Offsets

Seniors and pensioners

For the Seniors and pensioners tax offset (including if you are a self-funded retiree) provide documents to show all of the taxable Australian Government allowances and payments you received and any overpayments you have repaid for the income year.

Australian superannuation income stream

For the Superannuation income stream tax offset provide documents to show all of the taxable Australian superannuation pensions and annuities (income streams) you received and any overpayments you have repaid for the income year.

Supplementary income

This section outlines the supporting documents you need to provide for the following types of supplementary income:

- [Partnerships and trusts](#)
- [Personal services income \(PSI\)](#)
- [Net income or loss from business](#)
- [Rent income and expenses](#)

Partnerships and trusts

Provide a statement or advice from the partnership or trustee showing the following details about your share of any distribution including:

- the amount of any primary production income or loss and the amount of any non-primary production income or loss

- the amount of any gross and net capital gains
- the amount of attributed foreign income and other foreign source income
- the amount of any income where family trust distribution tax has not been paid
- your entitlement to any tax offsets or credits
- details of any deductions you can claim against your partnership or trust distribution that has not already been claimed by the partnership or trust.

If no income has been received during the income year, or is less than the expense claimed, also provide:

- the reason no income or a smaller amount of income was received
- whether you expect to receive a return on the investment and, if so, when and the amounts you expect to receive
- whether income has been received in a previous year and, if so, when the amounts were received.

Personal services income (PSI)

Provide the following supporting documents for your PSI:

- details of the nature of the activities being conducted that generated the income
- copies of the original contract or agreement that show the terms and conditions of each contract or agreement with the payer
- copies of your original payment summary or summaries.

Net income or loss from business

Provide the following supporting documents for your income and deductions for business:

- a breakdown and an explanation of the expenses you are claiming, including the amount of each expense and the nature of the expense
- documentary evidence to support the amount of your deductions.

Rental income and expenses

For each rental property, provide the following supporting documents:

- evidence of your share of ownership, such as the title deed
- copies of rental agreements between you and your tenants
- copies of records showing the receipted income for the property
- copies of documents advertising or showing the availability of the property for rent
- loan documents – for example, loan approval letter, loan applications, mortgage documents, letter from a bank advising of prepayment or solicitor's settlement statement
- bank statements for the loan account
- any worksheets or other documents showing how the interest claimed was calculated
- details of the work your capital works deduction is based on, including the costs and nature of the work undertaken
- a list of all other expenses claimed, including the nature of the expense and who the expense was paid to
- copies of receipts or documents for each expense
- a copy of the quantity surveyor report or tax depreciation report, if you are claiming decline in value of depreciating assets.

Supplementary deductions

This section outlines the supporting documents you need to provide for:

- [Personal superannuation contributions](#)
- [Deductions for project pool](#)
- [Forestry managed investment scheme deduction](#)
- [Other deductions](#)

Personal superannuation contributions

Provide a copy of the letter from your super fund acknowledging receipt of your notice of intent to claim a deduction for personal super contributions.

Deductions for project pool

Provide the following:

- information on the project, expected life and completion date
- copies of invoices to support the capital expenditure connected to the project
- depreciation schedule showing how the amounts are calculated in the project pool.

Forestry managed investment scheme deduction

If you are an initial participant, provide the following:

- the name of the forestry managed investment scheme (FIMS)
- copies of your initial contributions notice from the forestry manager and evidence of any ongoing payments you have made
- evidence that the scheme is a qualifying scheme
- evidence that your interest results in the establishment of trees.

If you are a subsequent participant, provide the following:


- the name of the forestry managed investment scheme (FIMS)
- evidence of your ongoing payments to the scheme.

For more information, see *PS LA 2008/2 Forestry managed investment schemes*

Other deductions

Provide copies of receipts or any other documents you have to support this claim including a description of the expense, the amount claimed and how the expense was incurred in the course of earning your assessable income.

For more information:

- see **Deductions you can claim**
- watch our video [Get your deductions right](#) .

Supplementary offsets

This section outlines the supporting documents required for the following offsets:

- [Superannuation contributions on behalf of your spouse](#)
 - Item T3 if your letter is for the 2016, 2017, 2018, 2019 or 2020 income year
- [Zone or overseas forces](#)
 - Item T4 if your letter is for the 2016, 2017, 2018, 2019 or 2020 income year
- [Total net medical expenses](#)
 - Item T5 if your letter is for the 2016, 2017, 2018 or 2019 income year
- [Invalid and invalid carer](#)
 - Item T5 if your letter is for the 2020 income year
 - Item T6 if your letter is for the 2016, 2017, 2018 or 2019 income year.

If you are unable to provide all of the documents, we may need to seek further information from you.

Superannuation contributions on behalf of your spouse

If your letter requests information for the:

- 2016, 2017, 2018, 2019 or 2020 income year - item T3
- 2013 or 2014 income year - item T4.

Provide the following:

- full name of your spouse for whom you made contributions during the income year
- residential address of your spouse
- date of birth of your spouse
- proof of identity of your spouse – for example, a copy of their passport, birth certificate or marriage certificate

- evidence of residence of your spouse – for example, a copy of a bank statement, a driver licence or rates notice that shows their name and address
- details of your spouse's assessable income, total reportable fringe benefits amounts and reportable employer super contributions
- bank statements, cheque butts and other documents that show you paid the contributions to your spouse's super fund or retirement savings account (RSA)
- the contribution statement from the complying super fund or RSA showing the total amount of contributions in the income year
- your calculation of the tax offset.

Zone or overseas forces

If your letter requests information for the:

- 2016, 2017, 2018, 2019 or 2020 income year - item T4
- 2013 or 2014 income year - item T5.

From 1 July 2015, eligibility is based on your usual place of residence. If your usual place of residence was not in a zone, you are not eligible for the zone tax offset. Certain types of workers are likely to be affected, for example, fly-in-fly-out workers.

Your usual place of residence must be within a prescribed 'zone' to claim the Zone Tax Offset. To check if your usual place of residence is within a prescribed 'zone' refer to the **Australian zone list**.

Provide the following:

- details of the remote area your usual place of residence was located
- for earlier income years, details of the remote areas you resided in or were present in during the income year. Include the relevant periods and, where applicable, the address details of the specified overseas locality in which you served as a member of the Australian Defence Force or a United Nations armed force, if applicable
- documents to support your claim – evidence may include copies of accounts addressed to you at the remote location or a letter from your employer confirming you were required to live away from your usual address for your work

- details of any dependants included in your calculation of the zone offset
- a copy of your worksheets showing how you calculated the amount of zone offset claimed.

Total net medical expenses

If your letter requests information for the:

- 2016, 2017, 2018 or 2019 income year - item T5
- 2013 or 2014 income year - item T6.

The net medical expenses offset has been phased out and is not available from the 2020 income year onwards.

Provide a list of all **medical expenses** included in your calculation, showing:

- the amount of the expense
- who the expense was paid to
- the name of the person the expense relates to – for example, you, your spouse, or a child
- a brief description of the nature of the treatment or service
- copies of receipts or other documentary evidence to support the expenses claimed on the list – for example, your Medicare Australia and private health insurance benefit statements
- details of any amounts reimbursed through Services Australia or your private health insurance
- the adjusted taxable income (ATI) of any dependents you are claiming this offset for.

Invalid and invalid carer

If your letter requests information for the:

- 2020 income year - item T5
- 2016, 2017, 2018 or 2019 income year - item T6
- 2013 or 2014 income year - item T7.

If your dependant is unable to work due to invalidity, provide the following:

- evidence your dependant is receiving one of the following payments
 - disability support pension
 - special needs disability support pension under the *Social Security Act 1991*(SSA)
 - an invalidity support pension under the *Veterans' Entitlements Act 1986* (VEA).

If your dependant is unable to work due to carer obligations, provide the following:

- evidence your dependant is either
 - receiving a carer payment or carer allowance under the SSA
 - wholly engaged in providing care to a relative who receives one of the following
 - a disability support pension
 - a special needs disability support pension under the SSA
 - an invalidity support pension under the VEA.

Also provide:

- the residential address of your dependant
- their relationship to you
- the period of their dependency
- your dependant's adjusted taxable income (ATI), including periodical payments by way of gifts or allowances from sources outside Australia
- if more than one person contributes to the care of the dependant, details of your proportion of care
- proof of identity of your dependent relative – for example, copy of their passport with current visa, birth certificate or marriage certificate.

Income tests

What income is used to work out your eligibility for some tax offsets and benefits.

Last updated 25 June 2024

On this page

Income tests and your tax return

When income tests apply

Adjusted taxable income

Rebate income

Income for Medicare levy surcharge purposes

Study and training support loan repayment income

Super income tests

Income tests and your tax return

We use items from your tax return when applying income tests.

Ensure that you complete all items that apply to you in the income tests section of your tax return.

If you have a spouse, you should also include your spouse's income in the **Spouse details** section of your tax return.

When income tests apply

We use income tests to work out whether tax offsets and other items apply to you.

Tax offsets include:

- invalid and invalid carer tax offset

- seniors and pensioners tax offset
- Medicare levy surcharge (lump sum payment in arrears) tax offset
- spouse super contributions tax offset
- private health insurance tax offset.

Other items include:

- private health insurance liability
- Medicare levy surcharge threshold calculation
- government super co-contribution
- a deduction for your personal super contributions
- a deduction for your business losses (non-commercial losses)
- income tax concessions available to participants in certain employee share schemes
- study and training support loan repayments.

We use the family income threshold to assess most offsets, benefits and obligations.

Adjusted taxable income

Your adjusted taxable income (ATI) affects your entitlement to any dependant tax offset.

Use the calculator to work out your ATI.

[Income tests calculator](#)

To manually work out your ATI, add the following amounts together and subtract any child support you pay:

- taxable income (your assessable income minus deductions), disregarding any assessable **First Home Super Saver (FHSS)** released amount
- adjusted fringe benefits total, which is the sum of
 - reportable fringe benefits amounts received from employers exempt from fringe benefits tax under section 57A of the *Fringe*

Benefits Tax Assessment Act 1986, multiplied by 0.53

- reportable fringe benefits amounts from employers not exempt from fringe benefits tax under section 57A of the *Fringe Benefits Tax Assessment Act 1986*
- target foreign income (includes any income earned from overseas that is not already included in your taxable income or received in the form of a fringe benefit)
- total net investment loss (includes both net financial investment loss and net rental property loss)
- tax-free government pensions or benefits (includes certain disability pensions, carer payments and defence pensions)
- reportable super contributions (includes both reportable employer super contributions and deductible personal super contributions).

Rebate income

We work out what we call 'rebate income' to determine whether you are eligible for the seniors and pensioners tax offset (SAPTO).

If you want to work it out yourself, use the calculator.

[Income tests calculator](#)

Your rebate income is the total of your taxable income (disregarding your assessable First home super saver released amount), plus the following amounts if they apply to you:

- reportable super contributions (includes both reportable employer super contributions and deductible personal super contributions)
- total net investment loss (includes both net financial investment loss and net rental property loss)
- adjusted fringe benefits total, which is the sum of
 - reportable fringe benefits amounts received from employers exempt from fringe benefits tax under section 57A of the *Fringe Benefits Tax Assessment Act 1986*, multiplied by 0.53
 - reportable fringe benefits amounts from employers not exempt from fringe benefits tax under section 57A of the *Fringe Benefits*

Tax Assessment Act 1986.

Income for Medicare levy surcharge purposes

We use your income for Medicare levy surcharge (MLS) purposes to work out if you have to pay the MLS and the rate you will pay.

Use the calculator to work out your income for MLS purposes.

Income tests calculator

Alternatively, you can manually calculate your income for MLS purposes.

Study and training support loan repayment income

Study and training support loan repayment income includes your:

- taxable income (your assessable income minus deductions), disregarding any assessable First home super saver released amount
- total net investment loss (includes both net financial investment loss and net rental property loss)
- reportable fringe benefits amount, as reported on your income statement or payment summary
- reportable super contributions (includes both reportable employer super contributions and deductible personal super contributions).

This applies to the:

- Higher Education Loan Program (HELP)
- Student Start-up Loan (SSL)
- ABSTUDY Student Start-up Loan (ABSTUDY SSL)
- VET Student Loan (VSL)
- Australian Apprenticeship Support Loan (AASL) formerly known as Trade Support Loan (TSL)

- Student Financial Supplement Scheme (SFSS).

Super income tests

Reportable employer super contributions are included in the income tests for the following:

- spouse super contributions tax offset
- government super co-contribution
- deduction for personal super contributions.

QC 72207

Tradies – be certain about what you can claim

If you're a tradie, find out what you can claim on your tax return, whether you're an employee or run a small business.

Last updated 11 October 2024

On this page

What can you claim

Employee tradies

Small businesses (sole trader, partnership, company or trust)

What can you claim

If you're a tradie, what you can claim in your tax return depends on whether:

- you're an [employee](#) tradie, or



- you run a [small business](#) (sole trader, partnership, company or trust).

Employee tradies

You can claim a deduction for expenses incurred as an employee tradie if:

- you spent the money yourself and were not reimbursed
- it was directly related to earning your income
- you have a record to prove it (usually a receipt).

If your expense was for both work and private purposes, you can only claim a deduction for the work-related portion.

For more information about what you can claim, see our occupation guides for [tradies \(PDF, 343KB\)](#)  and [construction workers \(PDF, 311KB\)](#) .

Protective clothing or items

You can claim a deduction for protective clothing or items that have features or functions to protect you from specific risks of injury or illness at work.

These may include:

- protective clothing and footwear (for example, hi-vis vests and steel-capped boots)
- protective and safety equipment as well as occupation health and safety equipment (for example, safety glasses, safety helmets and earmuffs, or sunscreen, sunhats and sunglasses where you are required to work outdoors).

Buying tools for work

You can claim a deduction for tools or equipment if you use them for work purposes.

- If you also use the tools or equipment for private purposes, you can only claim the work-related portion.
- If you bought the tool or item of equipment part way through the financial year, you can only claim a deduction for the portion of the

year that you owned it.

- If the tools or equipment are supplied by your employer, another person, or you are reimbursed for the cost, you can't claim a deduction.

If a tool or item of equipment is only used for work and:

- cost more than \$300 – you can claim a deduction for the cost over a number of years (that is, depreciation or the decline in value)
- cost \$300 or less – you can claim an immediate deduction for the whole cost.

If you buy an item for work that forms part of a set and the whole set costs more than \$300 but the individual item costs less than \$300, you can claim a deduction for the decline in value (depreciation) of the whole set. You can't claim an immediate deduction for each individual item. This is because the combined cost of the set is more than \$300.

For example, if you buy a ratchet set for \$350 you can only claim the decline in value of the set, even if you could buy each of the individual ratchets for less than \$300 each. However, if in a later income year, you buy an additional socket to replace part of the set you have lost, you can claim the full cost of the socket if it costs less than \$300.

For more information, see:

- **Tools and equipment to perform your work**
- **Depreciation and capital allowances tool.**

Car expenses

You may be able to claim the cost of trips between home and work when you carry bulky tools or equipment for work purposes. You can only claim a deduction for the cost of these trips if you meet all of the following conditions:

- The tools or equipment are essential for your employment duties.
- The tools or equipment are bulky (this means that because of the size and weight, they are awkward to transport and can only be transported conveniently by the use of a motor vehicle).
- There is no secure storage area for such items at the workplace location.

If you claim car expenses, you must either:

- keep a valid logbook to determine the percentage of work-related use of your car along with evidence of your car expenses (logbook method)
- calculate your work-related kilometres and be able to show that those kilometres were work related (cents per kilometre method – this is only available for claims up to 5,000 km).

Your vehicle is not considered to be a car if it is a vehicle that:

- has a carrying capacity of one tonne or more, such as a ute or panel van
- can transport 9 passengers or more, such as a minivan.

Claiming actual expenses

For these vehicles, you can claim the actual expenses that relate to your work travel. For example, if you use a vehicle with a carrying capacity of one tonne or more.

Examples of actual expenses include:

- fuel
- oil
- insurance
- repairs and servicing
- car loan interest
- registration
- depreciation.

Keep records of all your actual expenses to prove your expense claims, as well as records that show how you have calculated your work travel as a percentage of your overall travel. While it is not a requirement to keep a logbook, it is the easiest way to show how you have calculated your work-related use of the vehicle.

You can't use the cents per kilometre method for vehicles that are not a car.

For more information on car expenses, see:

- Building and construction employees – income and work-related deductions
- Cars, transport and travel.

Other things you can claim

You may also be able to claim the cost of:

- permits, licences and services, such as a forklift or heavy vehicle permit (but you can't claim the cost of getting and maintaining a private drivers licence)
- self-education expenses, such as upskilling that's directly related to your existing business
- your phone and internet.

Remember you can't claim a deduction for the same expenses twice. For example, if you're using the cents per kilometre method, you can't claim car expenses such as rego, insurance, fuel, servicing, and depreciation separately as these expenses are included in this rate.

Record keeping

If you claim a tax deduction, you must have a receipt or other form of written evidence from the supplier and be able to show how you calculated your claims. Records can be electronic (for example, you can take a photo of your receipt, or use the **myDeductions** tool in the ATO app).

The receipt or other form of written evidence must show the:

- name of the supplier
- amount of the expense
- nature of the goods or services
- date the expense was paid
- date of the document.

Bank or credit card statements usually won't contain this information.

After you've lodged your tax return for the year, you must keep your records for a minimum of 5 years.

If you're claiming a deduction for the cost of a depreciating asset used for work, such as a laptop, you must keep both:

- purchase receipts
- a depreciation schedule or details of how you calculated your claim for decline in value, for 5 years following your final claim.

For more information on deductions and keeping records, see:

- **Building and construction employees – income and work-related deductions**
- **Records you need to keep.**

The best time to lodge

Generally, the best time to lodge your tax return is from late July to take advantage of the pre-fill information available in **myTax** (or with your tax agent).

Pre-fill information is the data we already have on our systems plus the information provided to us by third parties, including your employer, banks, government agencies and private health insurance providers.

If you wait for pre-filled information to be available before completing your tax return, all you have to do is review the information and add any missing details or update incorrect details. This way you're less likely to miss any income that you must include.

If you prefer to lodge before your information has been pre-filled, you'll need to keep good records so you can substantiate all reported income and associated credits. Remember to include all of your income such as cash jobs, the sharing economy, your second job, foreign sources and capital gains.

Tax time information

For more information on tax and superannuation changes that may impact you as an employee, see **What's new for individuals**.

Small businesses (sole trader, partnership, company or trust)

You can claim a **business tax deduction** for most expenses from carrying on your business, as long as they are directly related to

earning your assessable income.

To claim business expenses:

- the money must have been spent for your business (not a private expense)
- if it is for a mix of business and private use, you can only claim the portion that is related to your business
- you must have a record to prove it.

Operating expenses you may be able to claim include:

- drop sheets
- masking, gaffer or duct tape
- oil
- replacement belts for machines
- computer consumables (for example, printer ink)
- insurance (for example, public liability insurance, professional indemnity insurance and personal accident and illness insurance).

Protective clothing or items

You can generally claim a deduction for the cost of:

- protective clothing (such as hi-vis vests and steel-capped boots)
- protective and safety equipment as well as occupation health and safety equipment (for example, safety glasses, safety helmets and earmuffs, or sunscreen, sunhats and sunglasses where you are required to work outdoors).
- items that protect you or your employees from safety hazards involved in performing work duties (for example hand sanitiser, sneeze or cough guards, face masks, gloves, other personal protective equipment, antibacterial wipes and other cleaning supplies used for business).

Buying assets for your small business

If you are buying depreciating assets for your small business, such as tools or machinery, and you choose to use the **simplified depreciation**


rules, you can immediately deduct the business portion of the cost of eligible assets under **instant asset write-off**.

If you are lodging tax returns for income years ending between 6 October 2020 and 30 June 2023, you may be eligible for **temporary full expensing**.

Examples of assets that you may be able to claim as an immediate deduction under instant asset write-off include:

- a car or ute
- drills
- electric sanders
- electric saws
- grinders
- leaf blowers
- lawn mowers
- nail guns
- ladders
- tool-boxes
- work lights
- high-pressure water cleaners
- concrete mixers
- shelving and storage
- computers, laptops and tablets.

As part of the 2024–25 Budget the Australian Government announced it will extend the \$20,000 **instant asset write-off** by a further 12 months until 30 June 2025. This measure is not yet law.

For more information, see the [Treasury Laws Amendment \(Responsible Buy Now Pay Later and Other Measures\) Bill 2024](#)  containing the extension for the 2024–25 income year.

Car limit

A car limit applies to the cost of passenger vehicles (except a motorcycle or similar vehicle) designed to carry a load less than one tonne and fewer than 9 passengers. The car limit is:

- \$60,733 for the 2021–22 income year.
- \$64,741 for the 2022–23 income year.
- \$68,108 for the 2023–24 income year.

If you purchase a car for your business and the car limit applies, the instant asset write-off is limited to the business portion of the car limit for the relevant year.

For yearly car limits, see **Car limit**.

Motor vehicle expenses

Media:Buying tools for work

<http://tv.ato.gov.au/ato-tv/media?v=bd1bdiunpjejp>

As a small business, you will be able to claim motor vehicle expenses to the extent the vehicle is used in carrying on your business. Your business structure and type of vehicle you drive can affect which method you should use to calculate your deductions.

For more information, see:

- **Claiming a tax deduction for motor vehicle expenses**
- **Calculation methods for claiming business motor vehicle expenses.**

Record keeping

Media:Car expenses

<http://tv.ato.gov.au/ato-tv/media?v=bd1bdiunpjek4g>

You need to keep records that substantiate your **business income** and expenses.

Your records must:

- explain all transactions
- be in writing (electronic or paper)
- be kept for 5 years (some records may need to be kept longer).

Depending on your tax obligations, you may also need to keep records for **GST, fuel tax credits** and records relating to your **employees and contractors**.

You can keep your business records electronically or on paper, but keeping electronic records makes some tasks easier.

For more information, see **Record keeping for business**.

Lodging your tax return

You need to lodge a tax return if you carry on a business, even if your business hasn't earned any income. There's no threshold for business income, so you need to lodge a tax return even if you only earn \$1.

What you need to report and how you lodge your annual tax return for your business depends on your [type of business entity](#).

Services and support

Find out about our range of tools and services that help make it easier for you to get your tax and superannuation right at:

- **Tax Time toolkit for small business**
- **Supporting your small business**

Remember, you can also speak with a registered tax agent to help you with your tax.

QC 54883

Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

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