



# Deductions you can claim

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

## How to claim deductions

How to claim income tax deductions for work-related expenses and other expenses, and record your deductions.

## Cars, transport and travel

Deductions for car, transport and travel expenses you incur in the course of your work.

## Tools, computers and items you use for work

Deductions for tools, computers, internet, stationery, books and other items you use for work.

## Clothes and items you wear at work

Deductions for clothes, glasses, protective gear and other items you wear at work.

## Working from home expenses

Deductions for expenses you incur to work from home such as

## **Education, training and seminars**



Deductions for self-education, conferences and training. You can't claim children's school fees or care.

## **Memberships, accreditations, fees and commissions**



Deductions for union fees, professional memberships, working with children check, agency fees and commissions.

## **Meals, entertainment and functions**



Deductions for meals, snacks, overtime meals, entertainment and functions.

## **Personal grooming, health and fitness**



Deductions for medical assessments, vaccinations, COVID-19 tests, gym fees, cosmetics and personal grooming.

## **Gifts and donations**



Deductions for gifts or donations you make to deductible gift recipients, and the records you need.

## **Investments, insurance and super**



Deductions for investment expenses, income protection insurance, personal super contributions and foreign pensions.

## **Cost of managing tax affairs**



Deduction for expenses to manage your tax affairs, such as lodging with a registered agent.

## Occupation and industry specific guides

Income and allowances to declare and the expenses you can claim a deduction for in your occupation or industry.

QC 72119

# How to claim deductions

How to claim income tax deductions for work-related expenses and other expenses, and record your deductions.

**Last updated** 25 June 2024

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## How tax deductions work

You can claim some of your expenses as deductions in your tax return.

The expenses you can claim are mostly related to earning your income, but there are a few (such as donations) that aren't related to earning income.

Deductions reduce your taxable income.

It works like this:

your assessable income (money you earn from work or investments)

*minus* your allowable deductions (such as costs you incur to earn your income)

*equals* your taxable income (the amount you actually pay tax on).

## Work-related expenses

To claim a deduction for a work-related expense:

- You must have spent the money yourself and weren't reimbursed.
- The expense must directly relate to earning your income.
- You must have a [record](#) to prove it (usually a receipt).

You claim these deductions in your tax return at the sections about work-related expenses. For instructions on how to complete your tax return, see [Lodgment options for preparing your tax return](#).

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

You can't claim a deduction if your employer pays for the expense or reimburses you for it. If we think your employer may reimburse you for an expense, we may check with them.

## Other expenses you can claim

There are a few expenses you can claim as a deduction even though they don't relate to your work.

These include:

- gifts and donations
- expenses related to earning income from investments
- personal super contributions
- income protection insurance
- the cost of managing your tax affairs.

You claim these in your tax return at the specific expense category (where available) or as an **Other deduction**. For instructions on how to complete your tax return, see [Lodgment options for preparing your tax return](#).

## Recording and claiming your expenses

When you claim a deduction [you need to keep records](#) that show you incurred the expense.

You can use the [myDeductions](#) tool in the ATO app to help keep track of your:

- work-related expenses (such as vehicle trips)
- general expenses (such as gifts and donations).

You can upload these records or share them with a registered tax agent at tax time to make lodging your tax return easier.

## Deductions in your occupation or industry

Our [occupation and industry specific guides](#) have information about income, allowances and deductions you may be eligible to claim. These guides are tailored to your occupation or industry.

## Information in other languages

A summary of common expenses may be available in your language:

1. Select your language from the [other languages' homepage](#).
2. Select the heading **Individuals**.
3. Check the list to see if a summary is available.

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## Working from home expenses

Deductions for expenses you incur to work from home such as stationery, energy and office equipment.

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## Eligibility to claim

To claim working from home expenses, you must:

- be working from home to fulfil your employment duties, not just carrying out minimal tasks, such as occasionally checking emails or taking calls
- incur additional running expenses as a result of working from home
- have records that show you incur these expenses.

To calculate your deduction for working from home expenses, you must use one of the methods set out below.

Where you incur running expenses for both private and work purposes, you need to apportion your deduction. You can only claim the work-related portion as a deduction.

## **Additional running expenses**

Running expenses relate to the use of facilities within your home. These expenses are generally considered private and domestic expenses. You can claim a deduction for additional running expenses you incur as a direct result of working from home.

Additional running expenses may include:

- electricity or gas (energy expenses) for heating or cooling and lighting
- home and mobile internet or data expenses
- mobile and home phone expenses
- stationery and office supplies
- the decline in value of depreciating assets you use for work – for example
  - office furniture such as chairs and desks
  - equipment such as computers, laptops and software
- the repairs and maintenance to depreciating assets.

In limited circumstances where you have a dedicated home office, you may also be able to claim:

- [occupancy expenses](#) (such as mortgage interest or rent)

- cleaning expenses.

If your employer pays you an allowance to cover your working from home expenses, you must include it as income in your tax return.

If you're a sole trader or business owner and your home is your principal place of business, see [Deductions for home-based business expenses](#).

## Choosing a method to calculate your claim

From 1 July 2022 there are 2 methods available to calculate your claim:

- [Fixed rate method](#)
  - an amount (67 cents) per work hour for additional running expenses
  - separate amount for expenses not covered by the fixed rate, such as the decline in value of depreciating assets
  - you no longer need a dedicated home office.
- [Actual cost method](#)
  - the actual expenses you incur as a result of working from home.

You must keep records to show you incur expenses as a result of working from home. The type of records you need to keep will depend on the method you choose to calculate your expenses.

For a summary of this information in PDF format, see [Working from home deduction \(PDF, 777 KB\)](#) [📄](#).

## Prior year work from home methods

To work out your deduction for working from home expenses in prior income years, use the table below for the methods available.

### Availability of work from home expenses methods

Method	Availability	Rate
<a href="#">Actual cost</a>	Always available	Calculate actual costs



<a href="#">Fixed-rate method</a>	1 July 2018 to 30 June 2019	52 cents per work hour
	1 July 2019 to 30 June 2020	
	1 July 2020 to 30 June 2021	
	1 July 2021 to 30 June 2022	
<a href="#">Shortcut method</a>	1 March 2020 to 30 June 2020	80 cents per work hour
	1 July 2020 to 30 June 2021	
	1 July 2021 to 30 June 2022	

For the work from home fixed rates before 2018–19, see [PS LA 2001/6 Verification approaches for electronic device usage expenses](#).

## Expenses you can't claim

You can't claim a deduction for:

- coffee, tea, milk and other general household items, even if your employer may provide these at work
- costs that relate to your children's education, such as equipment you buy – for example, iPads and desks, subscriptions for online learning
- items your employer provides – for example, a laptop or a mobile phone
- expenses where your employer reimburses you for the cost.

**Authorised by the Australian Government, Canberra.**

**Fixed rate method – 67 cents**



Check your eligibility to calculate your working from home

### Actual cost method



Check if you're eligible to calculate your work from home expenses using the actual cost method.

### Occupancy expenses



Check if you're eligible to claim occupancy expenses when you work from home.

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## Fixed rate method – 67 cents

Check your eligibility to calculate your working from home expenses using the fixed rate method – 67c per hour.

Last updated 25 June 2024

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## Fixed rate method

The fixed rate method for calculating your deduction for working from home expenses is available from 1 July 2022.

If you don't use the fixed rate method, you need to use the actual costs method to claim a deduction for the additional expenses you incur as a result of working from home.

If you are working out your claim for working from home expenses for 2021–22 or earlier income years, see [Prior year work from home methods](#).

## Eligibility to claim

To use the fixed rate method, you must:

- incur [additional running expenses](#) as a result of working from home
- have a [record](#) of the total number of hours you work from home and the expenses you incur while working at home.

## How it works

You can claim 67 c for each hour you work from home during the relevant income year. The rate includes the additional running expenses you incur for:

- home and mobile internet or data expenses
- mobile and home phone usage expenses
- electricity and gas (energy expenses) for heating, cooling and lighting
- stationery and computer consumables, such as printer ink and paper.

The rate per work hour (67c) includes the total deductible expenses for the above additional running expenses. If you're using this method, you can't claim an additional separate deduction for these expenses.

## How to claim expenses the fixed rate doesn't include

You can separately claim a deduction for the work-related use of technology and office furniture such as chairs, desks, computers, bookshelves. These are generally depreciating assets that decline in value over time. You can also claim the repairs and maintenance of these items.

If the item cost \$300 or less and you use it mainly for a work-related purpose, you can claim an immediate deduction for the cost in the year you buy it. This may include items, such as keyboards, computer mice, power boards, desk lamps and chargers.

You can claim a deduction for the [decline in value of depreciating assets](#) over the effective life of the item, if it either:

- cost more than \$300
- forms part of a set that together cost more than \$300.

You may choose to work out the decline in value of low-cost assets and low-value assets with a cost or opening adjustable value of less than \$1,000 through a [low-value pool](#). You calculate decline in value of depreciating assets in a low-value pool using a diminishing value rate.

Where you use your depreciating assets for both work and private purposes, you need to apportion your decline in value deduction. You can only claim the work-related portion as a deduction. In limited circumstances where you have a dedicated home office, you may also be able to claim:

- [occupancy expenses](#) (such as mortgage interest or rent)
- cleaning expenses (such as the cost of cleaning that relates to the work-related use of a room in your house set up as a home office).

For more information about the deductions allowable for 'home office' expenses, see [PCG 2023/1](#) *Claiming a deduction for additional running expenses incurred while working from home - ATO compliance approach*

### **Example: no additional deduction as expense covered by fixed rate**

Keisha is an employee engineer. During 2023–24, Keisha works from home and uses her timesheets to record the hours she spends working from home.

At the end of the income year, Keisha works out that she worked at home for a total of 843 hours.

When she is working from home, Keisha incurs electricity expenses, internet expenses and mobile phone expenses.

However, Keisha also uses her mobile phone for work purposes on days when she is not working from home.

If Keisha uses the fixed rate method to calculate her working from home expenses deduction, she can claim a deduction of \$564. That is, 843 hours × 67c per work hour in her 2023–24 tax return.

Keisha can't claim a separate deduction in her tax return for the mobile phone expenses she incurs when she's not working from home as the rate per work hour includes this expense.

If Keisha wants to claim all of her work-related mobile phone expenses, she will need to use the actual costs method to calculate her claim for working from home expenses.

## Calculate your deduction

Use our home office expenses calculator to help work out your deduction.

[Home office expenses calculator](#)

You can also calculate your deduction manually using the steps below.

### Steps for calculating your work from home deduction manually

Before you calculate your deduction, check you have all the records you are required to keep.

#### **Step 1: Work out the total number of hours you worked from home**

Work out the total number of hours you worked from home during the income year using your records – for example, your timesheets, rosters, diary or similar document you keep at the same time as when you work.

#### **Step 2: Multiply your total work from home hours by the rate per hour**

Multiply the total number of hours worked from home during the year by 67c per hour.

### **Step 3: Work out the decline in value of depreciating assets used for working from home**

Calculate the work-related decline in value of any depreciating assets that you used to work from home during the income year.

Use our [Depreciation and capital allowances tool](#) to help work this out.

For more information, see [Depreciating assets you use for work](#).

### **Step 4: Work out the amount of any other working from home expenses you incurred that the rate per hour doesn't cover**

Use your records to work out the amount of any other work-related expenses you incurred as a result of working from home.

Don't include any amount for expenses the [rate per work hour covers](#).

### **Step 5: Add the amounts at step 2, step 3 and step 4 together**

The total of step 2, step 3 and step 4 is the amount you claim as a working from home deduction in your tax return.

#### **Example: deduction calculated using fixed rate method**

Yang is employed as a software engineer. On 6 December 2023, Yang starts working from home 2 days a week and at the office 3 days a week.

On 1 December 2023, Yang buys a desk for \$250 and an office chair for \$299. Yang only uses the desk and office chair when working from home. He keeps his receipt for both items.

When working from home, Yang uses his work laptop, his personal internet connection and his personal mobile phone. Yang also uses the air conditioner in his spare room to cool and heat the room he works in.

Yang uses a spreadsheet to record the time he starts and finishes working from home. Yang also keeps one quarterly invoice for his electricity expenses, one monthly internet bill and one monthly mobile phone bill for the period between 6 December 2023 and 30 June 2024.

At the end of the 2023–24 income year, Yang decides to use the fixed rate method to calculate his working from home deduction.

Yang calculates his deduction manually as follows:

1. Yang uses his spreadsheet to calculate that he worked from home for a total of 560 hours.
2. Yang calculates his deduction for electricity, mobile phone and internet by multiplying the total number of hours he worked from home by the hourly rate.

His calculation is:

$$560 \text{ hours} \times 67\text{c per work hour} = \$375$$

3. Yang works out his decline in value deduction.

As the desk and office chair Yang bought cost less than \$300 each and he only uses them when he works from home, he can claim the cost of the desk and the office chair as a decline in value deduction for the 2023–24 income year.

His deduction is:

Chair – \$299

Desk – \$250

4. Yang has no other expenses.
5. Yang calculates his total deduction by adding the amount he calculated at Step 2 and Step 3. This is calculated as:  
 $\$375 + \$299 + \$250 = \$924$  (rounded to the nearest whole dollar)

When he lodges his 2023–24 tax return, Yang includes a deduction of \$924 for his working from home expenses.

## Record keeping for the fixed rate method

To claim your working from home deduction using this method, you must keep:

- 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 (an estimate of your hours won't be acceptable)
- at least one record for each of the additional running expenses you incur that the rate per work hour includes – for example, if you incurred electricity and stationery expenses keep one quarterly bill

for your electricity expenses and one receipt for your stationery expenses

You need to [keep your records](#) for 5 years (in most cases) from the date you lodge your tax return.

You must [keep records for depreciating assets](#) from the time you buy them, that shows:

- the amount spent on depreciating assets you buy
- the [percentage of the year you use your depreciating assets](#) exclusively for work, such as a diary or similar document.

You must also keep these records for other running expenses you are claiming as a separate deduction.

You need to keep these records for 5 years from the date of your last claim for decline in value.

## Record keeping for 2022–23

If you haven't been keeping a record of the actual hours you worked from home, **for the 2022–23 income year only**, 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 haven't kept receipts or written evidence of your depreciating assets, you may still be able to claim a decline in value deduction if:

- you didn't keep it because you were using the fixed rate method or shortcut method to calculate your working from home deduction in the income year you purchased the asset
- you have other evidence or records which show
  - you incurred the cost of the depreciating asset
  - when you bought the depreciating asset
  - your work-related use of the depreciating asset.



For more information, see [TR 97/24](#) *Income tax: relief from the effects of failing to substantiate*.

### **Example: Representative record of hours worked from home**

Wanda has an agreement with her employer to work from home one day a week. She is required to work 8 hours each working day (40 hours per week). Wanda sits at her kitchen table when she works at home and uses her employer provided laptop and mobile phone. Wanda uses her own internet connection and electricity.

Wanda keeps one monthly internet bill and a quarterly electricity bill but she doesn't keep any records of the hours she spent working from home during the period from 1 July 2022 to 28 February 2023.

Wanda has evidence of:

- her agreement to work at home one day per week
- her regular working hours
- taking annual leave for 2 weeks during the period.

Wanda can use these documents to work out the hours she worked from home during the first 8 months of the year. She works this out as:

Weeks from 1 July 2022 to 28 February 2023 = 34 weeks

34 weeks – 2 weeks (annual leave) = 32 weeks

$(32 \text{ weeks} \times 1 \text{ day per week}) \times 8 \text{ hours per day} = 256 \text{ hours}$

For the period from 1 March 2023 to 30 June 2023, Wanda keeps a record in her email calendar of when she starts and finishes work (including any breaks) on the day she works from home each week. At the end of the 2022–23 income year, Wanda calculates the hours she worked from home during this 4 month period as 129 hours.

Wanda can claim a deduction for her working from home expenses using the revised fixed rate method because she has kept records of:

- the expenses she incurred which are covered by the rate per hour, that is, her electricity and internet expenses
- a representative record of her hours worked from home for the period 1 July 2022 to 28 February 2023
- a record of the actual hours she worked from home during the period 1 March 2023 to 30 June 2023.

Wanda calculates deduction as:

$(256 \text{ hours} + 129 \text{ hours}) \times 67c = \$257$  (rounded up to the nearest whole dollar).

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

[myDeductions tool](#)

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## Actual cost method

Check if you're eligible to calculate your work from home expenses using the actual cost method.

**Last updated** 16 August 2024

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## Eligibility to claim

To use the actual cost method to claim actual expenses, you must:

- incur [additional running expenses](#) as a result of working from home
- keep records or other written evidence, which shows the amount
  - you spend on expenses
  - you spend on depreciating assets you buy and use while working from home
  - of work-related use for your expenses and depreciating assets.

You don't incur additional running expenses if other members of your household (who are not working from home) are in the same room as you while you are working from home.

### **Example: working from a lounge room**

Lee works from her lounge room while her partner and 3 children watch television. Lee isn't incurring any additional costs for lighting, heating or cooling as a result of working in that room, so she can't claim a deduction for them.

## **How it works**

Using the actual costs method, you work out your deduction by calculating the actual additional expenses you incur when working from home. This includes expenses you incur for:

- the decline in value of depreciating assets – for example, home office furniture (desk, chair) and furnishings, phones and computers, laptops or similar devices
- electricity and gas (energy expenses) for heating, cooling and lighting
- home and mobile phone, data and internet expenses
- stationery and computer consumables, such as printer ink and paper
- cleaning your dedicated home office.

Where you incur running expenses for both private and work purposes, you need to apportion your deduction on a fair and reasonable basis. You can only claim the work-related portion as a deduction.

In limited circumstances, you may also be able to claim [occupancy expenses](#) (such as mortgage interest or rent).

## Decline in value of depreciating assets

If the item cost \$300 or less and you use it mainly for a work-related purpose, you can claim an immediate deduction for its cost in the year you buy it.

You can claim a deduction for the [decline in value of depreciating assets](#) over the effective life of the item, if it either:

- cost more than \$300
- forms part of a set that together cost more than \$300.

You may choose to work out the decline in value of low-cost assets and low-value assets with a cost or opening adjustable value of less than \$1,000 through a [low-value pool](#). You calculate decline in value of depreciating assets in a low-value pool using a diminishing value rate.

If you use the asset for work and private purposes, you can only claim the work-related portion of the decline in value as a deduction.

For example, if you buy a device for \$289 that you use 80% of the time for work-related purposes and 20% of the time for private purposes, you can only claim a deduction of \$231 ( $80\% \times \$289$ ) in the income year you buy it.

You can use the [depreciation and capital allowances tool](#) to calculate your deduction for the decline in value of equipment, furniture and furnishings.

To claim a deduction for the decline in value of depreciating assets, you must:

- keep receipts showing the amount you spent on the assets
- show the percentage of the year you used those depreciating assets exclusively for work.

## Cleaning expenses

If you have a dedicated home office, work out the cost of your cleaning expenses and apportion your claim for any:

- private use of your home office
- use of the home office by other members of your household.

For example, if you have a room set up as a home office, add together your receipts for cleaning expenses and multiply by the floor area of the dedicated work area, divided by the whole floor area of the house. Then reduce this amount by the percentage of private use by yourself and the use of the home office by other household members.

## **Electricity and gas for heating, cooling and lighting**

You can work out the cost of your electricity and gas (energy expenses) for heating, cooling and lighting by using the:

- cost per unit of power you use (your utility bill has this information)
- average units you use per hour, which is the power consumption (this information may be found in the manufacturer information, the star energy rating label or by searching the internet) and is
  - per kilowatt (kw) hour for each electrical appliance, equipment or light you use
  - per megajoule (MJ) hour for gas heating appliances you use
- total annual hours used for work-related purposes by checking your record of hours worked or your diary.

### **Example: electricity for cooling and heating**

Ben works at home several days per week and keeps a record of the total hours he works from home. His record shows he worked a total of 768 hours from home in 2023–24.

When he works from home, Ben sits in a separate room of his house and always uses the air conditioner in the room when he is working. Based on the manufacturer's information, his air conditioning unit costs 1.09 kw per hour to run.

Based on his electricity bills, Ben pays 27.81c per kw hour (28c rounded up) for electricity.

Ben calculates the cost of cooling and heating for the room he uses when he is working from home as:

$$1.09 \text{ kw per hour} \times 0.28\text{c per hour} = 30.52\text{c per kw hour}$$

$$768 \text{ hours} \times 30.52\text{c} = \$234.39.$$

Ben can also use the online home office expenses calculator to work out his actual expenses. Ben would fill out the following:

- Select income year: 2023–24
- Do you want to claim a deduction based on actual expenses?: Yes
- Choose one of the following methods to calculate electricity expenses: Actual running expenses
- Cost per unit of electricity used: 0.28c
- Average units of electricity used per hour for income producing purposes: 1.09 kw
- Hours of electricity used for income producing purposes during the year: 768.

## Phone, data and internet

If you receive an [itemised phone or internet bill](#), you need to work out your work-related use over a continuous 4-week period. You can use your work-related percentage for the 4-week period to work out your expenses for the whole income year.

For example, you can mark your work-related calls on your monthly phone bill and work out your work-related use based on the number of those phone calls compared to your total calls.

For more information, see [PS LA 2001/6](#) *Verification approaches for electronic device usage expenses*.

## Stationery and computer consumables

Work out the cost of computer consumables and stationery by using receipts for the items you buy. If you use the item for both private and work-related purposes, you can only claim the work-related portion of the expense.

## Calculate your deduction

Use our home office expenses calculator to help work out your deduction.

[Home office expenses calculator](#)

## Record keeping for actual costs method

To claim your work from home expenses using actual costs, you must keep:

- either a record showing
  - the number of actual hours you work from home during the entire income year – for example, a timesheet or spreadsheet
  - a continuous 4-week period that represents your usual pattern of working at home – for example, a diary.

You must also keep records that show:

- the additional running expenses you incurred while working from home, such as receipts, bills and other documents
- how you worked out the amount of your deduction.

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

[myDeductions tool](#)

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## Occupancy expenses

Check if you're eligible to claim occupancy expenses when you work from home.

**Last updated** 25 June 2024

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# Occupancy expenses for employees

As an employee working from home, generally:

- you can't claim occupancy expenses
- you can claim [running expenses](#).

If you acquired your home after 20 September 1985 and you are eligible to claim occupancy expenses, there are capital gains tax (CGT) implications for your home. There are no CGT implications if you only claim running expenses.

See [Deductions for home-based business expenses](#) if you operate a business from your home.

Occupancy expenses are expenses that you pay to own or rent your home. These include:

- mortgage interest
- rent
- council and water rates
- land taxes
- house insurance premiums.

If you're eligible to claim occupancy expenses, you can also claim running expenses you incur.

## Eligibility to claim

You can only claim occupancy expenses if you have an area set aside that has the character of a 'place of business'. Indicators that the area



of your home you've set aside to work from may be a place of business include:

- the area is clearly identifiable as a place of business
- the area isn't readily capable of being used for private or domestic purposes
- the area is exclusively or almost exclusively used for carrying on a business
- the area is used regularly for visits of clients or customers.

To claim occupancy expenses when you work from home, you must show that:

- the nature of your income earning activities requires you to have a place of business
- it was necessary for you to work from home because your employer doesn't provide you with an alternative place of business
- the area of your home that you use for work is exclusively or almost exclusively used for work purposes and isn't readily capable of being used for any other purpose.

## Calculate your occupancy expenses

Occupancy expenses can generally be apportioned on a floor area basis. You must also apportion your expenses on a time basis if you only use that area of your home for work purposes for part of the year.

### Example: occupancy expenses deductible

Abdul works at his employer's office in Brisbane. His employer permanently closes the office at the end of January 2024. Abdul's employer still requires staff in Brisbane to provide services to their clients, which includes face-to-face meetings.

Abdul's employer provides him with the equipment he needs to fulfil his work functions. They also pay for a work, health and safety check on the room in Abdul's home that he intends to work from. Abdul's home address is listed on his employer's website as an address for the business and he is required to keep client files secure.

From 1 February 2024, Abdul starts working from the room set aside in his house. The floor area of the room is 10% of the total floor area of the whole house.

Abdul doesn't use the room for non-work purposes and keeps it locked because it is set up as a permanent office of his employer where his clients attend for meetings.

Abdul can claim a deduction for occupancy expenses as a result of working from home for 5 months of the year because:

- his income earning activities require him to have a place of business for client meetings and to keep files
- his employer doesn't provide him with an alternative place of business
- it is necessary for him to work from home
- the room he works from is used exclusively for work purposes and it is not readily capable of being used for any other purpose.

Abdul's occupancy expenses for the 2023–24 income year are \$24,918. That is:

- mortgage interest \$19,524
- council rates \$4,259
- home insurance \$1,135.

Abdul calculates his deduction for occupancy expenses as follows:

Total occupancy expenses × floor area percentage × time used for work purposes

$$\text{\$24,918} \times 10\% \times (5 \text{ months} \div 12 \text{ months}) = \text{\$1,038}.$$

As Abdul can claim mortgage interest expenses as a deduction, he will be required to pay tax on a portion of any capital gain he makes when he sells his home. He can't claim the full main residence exemption.

### **Example: occupancy expenses not deductible**

Randy's employer decides to permanently close the office he currently works from before their shutdown in mid-December 2023. From January 2024, Randy works from home in either his loungeroom at a desk or at the dining table. As Randy only needs a laptop and a mobile phone, he doesn't have a room set aside to work from.

Randy can't claim a deduction for any portion of his occupancy expenses.

Even though his employer hasn't provided him with a work location and it is necessary for him to work from home, he doesn't have an area of his home set aside to use exclusively, or almost exclusively, for income producing purposes. His dining room and lounge room are also readily capable of being used, and are used regularly, for private purposes.

## **Record keeping for occupancy expenses**

You must keep records for all of your occupancy expenses, including:

- bank statements for your mortgage interest
- rental receipts
- quarterly invoices for your water and council rates
- invoices or receipts for your house insurance
- land tax assessment notices and evidence of payment
- a floor plan of your home with the floor area used when working from home clearly marked
- records of time spent using the area for a purpose other than working from home
- records showing how you apportioned your occupancy expenses.

You must also [keep records for the property](#), including:

- the purchase and sale contract for your home

- records of any incidental expenses you incur on the purchase and sale of your home – for example, real estate agent commission and stamp duty
- records of the occupancy expenses for every year you claim them.

If you become eligible to claim occupancy expenses sometime after you buy your home and you're eligible to claim a deduction for interest expenses, you won't be eligible for the full [main residence exemption](#). It doesn't matter whether you actually had a home loan or whether you claimed a deduction for interest, your main residence exemption will still be affected. However, there are special rules around the cost of your home in these circumstances. As such, you should get a market valuation for your house at the time you first start using it for income producing purposes.

These records must be kept for the entire period that you own your home and for 5 years after you sell it.

Find out more about how your home may be affected if you [use your home in earning your income](#).

QC 72163

## Gifts and donations

Deductions for gifts or donations you make to deductible gift recipients, and the records you need.

**Last updated** 25 June 2024

### On this page


[When a gift or donation is deductible](#)

[What is a deductible gift recipient?](#)

[What you can claim](#)

[What you can't claim](#)

## [Keeping records of gifts and donations](#)

For a summary of this content in poster format, see [Gifts and Donations \(PDF, 264KB\)](#) .

## When a gift or donation is deductible

You can only claim a tax deduction for a gift or donation to an organisation that has the status of a [deductible gift recipient](#) (DGR).

To claim a deduction, you must be the person that gives the gift or donation and it must meet the following 4 conditions:

1. It must be made to a DGR.
2. It must truly be a gift or donation – that is, you are voluntarily transferring money or property without receiving, or expecting to receive, any material benefit or advantage in return. A material benefit is something that has a monetary value.
3. It must be money or property – this can include financial assets such as shares.
4. It must comply with any relevant gift conditions – for some DGRs, the income tax law adds conditions affecting the types of deductible gifts they can receive.

DGRs sometimes authorise a business to collect donations on their behalf. For example, a supermarket may be authorised to accept a donation at the register that they then send onto the DGR. You can claim a deduction for a gift or donation you make in this way, if:

- it meets the 4 conditions above
- you have [a receipt from the third party](#).


If you receive a material benefit in return for your gift or donation to a DGR – for example, you purchase a ticket to a fundraising dinner – it's considered [a contribution and extra conditions apply](#).

To claim a deduction, you must have a [record of your donation](#) such as a receipt.

## What is a deductible gift recipient?

A DGR is an organisation or fund that registers to receive tax deductible gifts or donations.

Not all charities are DGRs. For example, crowdfunding campaigns are a popular way to raise money for charitable causes. However, many of these crowdfunding websites are not run by DGRs. Donations to these campaigns and platforms aren't deductible.

You can check the DGR status of an organisation at [ABN Look-up: Deductible gift recipients](#) .

## What you can claim

The amount you can claim as a deduction depends on the type of gift:

- Gifts of money – you can claim the amount of the gift, but it must be \$2 or more.
- Gifts of property or shares – there are different rules depending on the type and value of the property – see [Gift types, requirements and valuation rules](#).
- Gifts under the Heritage and Cultural programs – there are special circumstances where donations can also be deductible – see:
  - [Donating under the Cultural Gifts Program](#)
  - [Heritage gifts](#)
  - [Claiming conservation covenant concessions](#)

If you receive a token item for your donation you can still claim a deduction. Token items are things of no material value that are used to promote the DGR, such as lapel pins, wristbands and stickers.

You claim the deduction for your gift in the income year in which you give the gift. In some circumstances you may elect to [spread the tax deduction over a period of up to 5 income years](#).

## Bucket donations

If you made one or more small cash donations, each of \$2 or more, to bucket collections – for example, to collections conducted by a DGR for natural disaster victims – you can claim a total tax deduction of up to \$10 for those donations for the income year without a receipt.

To claim donations of more than \$10, you need a receipt.

## Political party and independent candidate donations

In some circumstances, you can claim a deduction for gifts and donations to registered political parties or independent candidates.

This includes paying a membership subscription to a registered political party.

You must have made the gift or donation as an individual (not in the course of carrying on a business) and it can't be a testamentary donation.

Your gift or donation must be worth \$2 or more. If the gift is property, the property must have been purchased within 12 months of making the donation.

The most you can claim in an income year is:

- \$1,500 for contributions and gifts to political parties
- \$1,500 for contributions and gifts to independent candidates and members.

To claim a deduction, you must have a written record of your donation.

For more information see [Claiming political contributions and gifts](#).

## What you can't claim

You can't claim gifts or donations that provide you with a personal benefit, such as:

- raffle or art union tickets – for example, an RSL Art Union prize home
- items such as chocolates, mugs, keyrings, hats or toys that have an advertised price
- the cost of attending fundraising dinners (you may be eligible to claim a deduction as a *contribution* if the cost of the event was more than the [minor benefit supplied as part of the event](#))
- club membership fees
- payments to school building funds made in return for a benefit or advantage – for example, as an alternative to an increase in school fees or placement on a waiting list

- payments where you have an understanding with the recipient that the payments will be used to provide a benefit to you
- gifts to family and friends, regardless of the reason
- donations made under a salary sacrifice arrangement
- donations made under a will.

You can't claim a tax deduction for donations made to social media or crowdfunding platforms unless they are a registered DGR.

### **Example: material benefits where a deduction can't be claimed**

Robbie is an office worker. Each year his workplace gets involved in the Daffodil day appeal to raise money and awareness for the Cancer Council. Robbie buys a teddy bear toy on Daffodil Day at a cost of \$30.

Robbie can't claim a deduction for the cost of the toy as he has received a material benefit in return for his contribution to the Cancer Council.

## **Keeping records of gifts and donations**

Keep records for all tax deductible gifts and contributions you make.

Evidence you need to keep may include:

- receipts for donations or contributions
- a signed letter from the eligible organisation confirming the amount of your donation or contribution.

If you receive a [minor benefit](#) (for example, a charity dinner) as a benefit for your contribution, the value of the benefit needs to be shown.

Most DGRs will issue you with a receipt for your donation, but they're not required to. If you don't have a receipt, you can still claim a deduction by using other records, such as bank statements.

If a DGR issues a receipt for a deductible gift, the receipt must state:



- the name of the fund, authority or institution to which the donation has been made
- the DGR's Australian business number (ABN) (some DGRs listed by name in the law may not have an ABN)
- that it is for a gift.

If you give through a workplace giving program, your evidence can be from either:

- your income statement or payment summary
- a [receipt from a third party](#) or a written record from your employer.

You can use the [myDeductions](#) record-keeping tool in the ATO app to keep track of your expenses and receipts throughout the year. If you have an electronic copy of your receipts that are a true and clear reproduction of the original, you're not required to keep the original paper copy.

For more information, see [Keeping a record of your donation](#).

QC 72185

## Cost of managing tax affairs

Deduction for expenses to manage your tax affairs, such as lodging with a registered agent.

**Last updated** 14 October 2024

You can claim a deduction for expenses you incur in managing your own tax affairs, such as the cost to lodge through a registered agent.

Costs you can claim include:

- costs associated with preparing and lodging your tax return and activity statements, such as
  - buying tax reference material
  - tax return preparation courses

- lodging your tax return through a registered tax agent
- getting tax advice from a recognised tax adviser (a registered tax agent, barrister or solicitor)
- dealing with us about your tax affairs
- buying software that allows you to prepare and lodge your tax return (you can only claim a portion of the cost if you also use the software for other purposes)
- travel costs to get tax advice – for example, the travel costs of attending a meeting with a recognised tax adviser
- litigation costs, including court and Administrative Review Tribunal fees, and solicitor, barrister and other legal costs
- the cost of a valuation for a deductible gift or donation of property, or for a deduction for entering into a conservation covenant
- [an interest charge we impose](#)
- some fees you incur when you pay your tax obligations by card, such as
  - credit and debit card fees for a business tax liability – for example, GST
  - debit card fees when paying an individual tax liability
- costs to comply with your legal obligations for another person's (or other entity's) tax affairs.

If you receive a single invoice for preparing your tax returns and the tax returns for associated people (such as a spouse), you need to split the fees you incur. You must also:

- be able to show how you work out the cost for each
- [keep evidence](#) to support the deduction you claim.

You generally incur the fees in the income year you pay them.

## Interest charged by the ATO



You can claim a deduction for certain interest we impose or charge

QC 72191

## Interest charged by the ATO

You can claim a deduction for certain interest we impose or charge.

**Last updated** 25 June 2024

We impose interest in specific situations, including:

- late payment of taxes and penalties
- an increase in your tax liability as a result of an amendment to your assessment
- an increase in other tax liabilities, such as goods and services tax or pay as you go amounts.

The interest we impose includes:

- general interest charge (GIC)
- shortfall interest charge (SIC)
- late payment interest.

You can claim a deduction for the GIC and SIC we impose in the year you incur the charge. This will depend on when you actually became liable for the interest. For example:

- SIC imposed on an unpaid income tax shortfall is incurred in the year you are served a notice of amended assessment.
- GIC imposed on existing unpaid tax liabilities is incurred on a daily basis, in the year it is imposed.

You claim a deduction for ATO interest at **Cost of managing tax affairs – Interest charged by the ATO** in your tax return.

The amount of interest you have been charged is normally pre-filled on your tax return. However, if you need to work out how much you have been charged, see [Calculate and report ATO interest](#).

If we remit GIC or SIC, you must include the remission amount as interest income in your tax return in the income year that we grant it.

QC 72192

## Occupation and industry specific guides

Income and allowances to declare and the expenses you can claim a deduction for in your occupation or industry.

**Last updated** 25 June 2024

### On this page

[Using our guides](#)

[Our guides](#)

[Information in other languages](#)

## Using our guides

Our occupation and industry guides help you to complete your tax return, use these guides to:

- work out what income and allowances to declare
- check if you can or can't claim work-related expenses as a deduction
- find out what records you need to keep.

To claim a deduction for work-related expenses, you must meet the 3 golden rules:

1. You must have spent the money and you weren't reimbursed.
2. The expense must directly relate to earning your income.

3. You must [keep records](#) that show you incur the expense (usually a receipt).

## Our guides

We tailor our occupation and industry specific guides to address common expense claims we see as deductions in your occupation or industry. Use the table below to access either:

- the complete occupation or industry guide including income, expenses, record keeping and examples
  - select the link in the left column of the table
  - read the content online
- the PDF summary of common work-related expenses for your occupation or industry, you can
  - select the link in the right column of the table to open the PDF
  - download as a PDF.

**Table: Occupation guides and summary PDF posters**

Occupation and industry guides	Deduction summary – PDF download
<a href="#">Adult industry workers</a>	Not available
<a href="#">Agricultural workers</a>	<a href="#">Agricultural industry (PDF, 448KB)</a> 
<a href="#">Apprentices and trainees</a>	<a href="#">Apprentice (PDF, 443KB)</a> 
<a href="#">Australian Defence Force members</a>	<a href="#">ADF members (PDF, 569KB)</a> 
<a href="#">Building and construction employees</a>	<a href="#">Building and construction worker (PDF, 389KB)</a> 
<a href="#">Bus drivers</a>	<a href="#">Bus driver (PDF, 436KB)</a> 

<a href="#">Call centre operators</a>	<a href="#">Call centre operator (PDF, 416KB)</a> 
<a href="#">Cleaners</a>	<a href="#">Cleaner (PDF, 405KB)</a> 
<a href="#">Community support workers and direct carers</a>	<a href="#">Community support worker and direct carer (PDF, 427KB)</a> 
<a href="#">Doctor, specialist or other medical professional</a>	<a href="#">Doctor, specialist or other medical professional (PDF, 420KB)</a> 
<a href="#">Engineers</a>	<a href="#">Engineer (PDF, 423KB)</a> 
<a href="#">Factory workers</a>	<a href="#">Factory worker (PDF, 458KB)</a> 
<a href="#">Fire fighters</a>	<a href="#">Fire fighter (PDF, 399KB)</a> 
<a href="#">Fitness and sporting industry employees</a>	<a href="#">Fitness or sporting industry employees (PDF, 375KB)</a> 
<a href="#">Flight crew</a>	<a href="#">Flight attendant (PDF, 423KB)</a> 
<a href="#">Gaming attendants</a>	<a href="#">Gaming attendant (PDF, 369KB)</a> 
<a href="#">Guards and security employees</a>	<a href="#">Security industry (PDF, 495KB)</a> 
<a href="#">Hairdressers and beauty professionals</a>	<a href="#">Hairdresser and beauty therapist (PDF, 432KB)</a> 
<a href="#">Hospitality industry employees</a>	<a href="#">Hospitality worker (PDF, 426KB)</a> 
<a href="#">IT professionals</a>	<a href="#">IT professional (PDF, 393KB)</a> 
<a href="#">Lawyers</a>	<a href="#">Lawyer (PDF, 434KB)</a> 

<a href="#">Meat workers</a>	<a href="#">Meat processing worker (PDF, 443KB)</a> 
<a href="#">Media professionals</a>	<a href="#">Media professional (PDF, 438KB)</a> 
<a href="#">Mining site employees</a>	<a href="#">Miners (PDF, 429KB)</a> 
<a href="#">Nurses and midwives</a>	<a href="#">Nurse or midwife (PDF, 440KB)</a> 
<a href="#">Office workers</a>	<a href="#">Office worker (PDF, 467KB)</a>  <a href="#">Public servant (PDF, 395KB)</a> 
<a href="#">Paramedics</a>	<a href="#">Paramedic (PDF, 457KB)</a> 
<a href="#">Performing artists</a>	<a href="#">Performing artist (PDF, 434KB)</a> 
<a href="#">Pilots</a>	<a href="#">Pilot (PDF, 399KB)</a> 
<a href="#">Police</a>	<a href="#">Police officer (PDF, 427KB)</a> 
<a href="#">Professional sportsperson</a>	Not available
<a href="#">Real estate employees</a>	<a href="#">Real estate employees (PDF, 482KB)</a> 
<a href="#">Recruitment consultants</a>	<a href="#">Recruitment consultant (PDF, 425KB)</a> 
<a href="#">Retail industry workers</a>	<a href="#">Retail industry worker (PDF, 428KB)</a> 
<a href="#">Sales and marketing</a>	<a href="#">Sales and marketing (PDF, 449KB)</a> 
<a href="#">Teachers and education professionals</a>	<a href="#">Teacher (PDF, 427KB)</a> 

<a href="#">Tradesperson</a>	<a href="#">Tradesperson (Tradies) (PDF, 415KB)</a> 
<a href="#">Train drivers</a>	<a href="#">Train driver (PDF, 413KB)</a> 
<a href="#">Travel agent employees</a>	<a href="#">Travel agent (PDF, 450KB)</a> 
<a href="#">Truck drivers</a>	<a href="#">Truck driver (PDF, 466KB)</a> 

## Information in other languages

A summary of the common work-related expenses for your occupation or industry may be available in your language:

- Select your language from the [other languages' homepage](#).
- Select the heading **Individuals**.
- Check the list, to see if a deductions summary for your occupation or industry is available.

QC 72193

## 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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