

Checklist of employment-related claims

This checklist is a guide only. The results may vary depending on individual circumstances.

Broadly, a deduction may only be claimed if:

- the expense has been incurred in earning the person’s assessable income, or incurred in carrying on a business for the purpose of earning assessable income, and
- it is not private (domestic) or capital expenditure, and
- it is not capital in nature, and
- a specific provision of the ITAA97 or *Income Tax Assessment Act 1936* (ITAA36) does not preclude the expense from deduction, and
- the person holds the relevant written evidence where required.

NOTE: How much of the expense is allowed as a tax deduction will depend on the extent the expenses are incurred in earning the person’s assessable income.

Tax deductible?	
Admission fees: For lawyers and other professionals. Disallowed as capital cost.	No
Airport lounge membership: Deductions to the extent used for work-related purposes.	Yes
Annual practising certificate: Applies to professional persons and other contractors who must pay an annual fee to practice in their chosen field.	Yes
Bank charges: Deductions are allowed if account earns interest. Not private transaction fees.	Yes
Bribes to government officials and foreign government officials: Also exclude from the cost base and reduced cost base of CGT assets and cost of depreciating assets.	No
Briefcase: If used for work and/or business purposes the cost is fully deductible if \$300 or less. If more than \$300, it must be depreciated.	Yes
Calculators and electronic organisers: If used for work and/or business purposes the cost is fully deductible if \$300 or less. If more than \$300, it must be depreciated.	Yes
Car: See ‘Travel’ and 12.225.	
Child care fees	No
Cleaning: Of protective clothing and uniforms – see ‘Laundry’.	Yes
Clothing, uniforms and footwear <ul style="list-style-type: none"> • Compulsory uniform: Uniform must be unique and particular to an organisation (eg. corporate uniform). • Non-compulsory uniform: If on a register kept by the Department of Industry, Science and Tourism. • Occupational specific: The clothing identifies a particular trade, vocation or profession eg. chefs and nurses. • Protective: Must be used to protect the person or their conventional clothing. May include sunscreen. 	Yes
Club membership fees	No
Coaching classes: Allowed to performing artists to maintain existing skills or obtain related skills.	Yes
Computers and software (see 12.155): Software is deductible if it costs less than \$300, otherwise deductible over 2.5 years. Except in-house developed software which is over four years.	Yes
Conferences, seminars and training courses: Allowed if designed to maintain or increase employee’s knowledge, skills or ability.	Yes

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Tax deductible?	
Conventional clothing	No
Depreciation: Tools, equipment, and plant used for work purposes for each item costing more than \$300. Items costing \$300 or less are deductible outright in the year of acquisition.	Yes
Donations: See 'Gifts'.	
Driver's licence: Cost of acquiring and renewing.	No
Dry cleaning: Allowed if the cost of the clothing is also deductible. See also 'Laundry'.	Yes
Election expenses of candidates: No limit for Federal, State and Territory. Limit of \$1,000 for local government.	Yes
Employment agreements: Existing employer (see TR 2000/5). Not available for new business/employer.	Yes
Entertainment expenses	No
Fines (see also 3.660 for deductible penalties): Imposed by court, or under law of Commonwealth, State, Territory or foreign country (s26-5).	No
First Aid course: Provided it is directly related to employment or business activities.	Yes
Gaming licence: Hospitality and gaming industry.	Yes
Gifts of \$2 or more (see from 12.800): If made to approved 'deductible gift recipient' body or fund. See ato.gov.au for a full list. Gifts to clients are deductible if employees can demonstrate a direct connection with earning assessable income.	Yes
Glasses and contact lenses (prescribed): These would qualify as medical expenses (see from 2.160). Deductible if 'protective clothing'.	No
Glasses and goggles: Protective only.	Yes
Grooming	No
HELP/HECS repayments	No
<ul style="list-style-type: none"> • Home office expenses (see from 12.600): Utility expenses (for example, heat, light, power and depreciation on depreciating assets). • Occupancy expenses: For example, rent, insurance, rates and land tax. Deductible only to the extent that home or study is used for income producing purposes. 	Yes
Income continuance insurance: See from 12.600. Allowed only if the proceeds are assessable.	Yes
Insurance – sickness or accident: When benefits would be assessable income.	Yes
Interest: Allowed if money borrowed for work-related purposes or to finance income earning assets. Interest paid on underpayment of tax (eg. general interest charge) is deductible(see 3.660). Fines and administrative penalties are not deductible. Interest on capital protected loans deductible except for non-deductible capital protection component (see 13.600).	Yes
Internet and computer equipment (see 12.155): Expenses allowed to the extent incurred in deriving individual's work-related income, carrying on a business or earning investment income (eg. share investing).	Yes
Laundry and maintenance: Allowed if the cost of clothing is allowable (see 'Work related clothing'). Reasonable claims of up to \$150 do not need to be substantiated.	Yes
Legal expenses: Renewal of existing employment contract.	Yes

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Meals <ul style="list-style-type: none"> Eaten during normal working day. Meals acquired when travelling overnight for work-related purpose. Meals when travelling (not overnight). Overtime meals: If allowance received under award. 	<p>No</p> <p>Yes</p> <p>No</p> <p>Yes</p>
Medical examination: Only if from the referral of a work-related business licence.	Yes
Motor vehicle expenses: See 'Travel expenses'.	
Newspapers: Claims may be allowed in limited cases if the publication is directly related to income-producing activities.	No
Overtime meal expenses: Only if award overtime meal allowance received.	Yes
Parking fees and tolls: Includes bridge and road tolls (but not fines) paid while travelling for work-related purposes.	Yes
Photographs (performing arts – with income producing purpose) <ul style="list-style-type: none"> Cost of maintaining portfolio. Cost of preparing portfolio. 	<p>Yes</p> <p>No</p>
Practising certificate: Applies to professional employees.	Yes
Prepaid expenditure for tax shelter arrangements: They must be spread over the period in which the services are provided (see 13.170).	Yes
Prepaid expenses: Non-business individuals and SBE taxpayers claim is fully deductible if services are to be performed in period not exceeding 12 months. All other taxpayers must apportion claim over the period of service (see 13.170).	Yes
Professional association fees	Yes
Professional library (books, CDs, videos etc) Established library (depreciation allowed) <ul style="list-style-type: none"> New books: Full claim if cost \$300 or less (includes a set if total cost is \$300 or less). New books: Depreciation if cost over \$300 (includes a set if total cost is more than \$300). 	<p>Yes</p> <p>Yes</p> <p>Yes</p>
Protective equipment Includes harnesses, goggles, safety glasses, breathing masks, helmets, boots. Claims for sunscreens, sunglasses and wet weather gear allowed if used to provide protection from natural environment (see 12.147).	Yes
Removal and relocation costs If paid by the employer, may be exempt from FBT, but deductible.	No
Repairs (income producing property/or work-related equipment).	Yes
Self-education costs: Claims for fees, books, travel (see below) and equipment etc. only allowed if there is a direct connection between the course and the person's income earning activities. No claim for the first \$250 if course is undertaken at school or other educational institution and the course confers a qualification. However, that first \$250 can be offset against private expenses, eg. travel, child minding fees, etc. (see 12.700).	Yes
Seminars Including conference and training courses if sufficiently connected to work activities.	Yes
Social functions	No
Stationery (diaries, log books etc.)	Yes
Subscriptions Publications If a direct connection between publication and income earned by taxpayer. <ul style="list-style-type: none"> Professional associations: Maximum of \$42 if no longer gaining assessable income from that profession. Sports clubs. 	<p>Yes</p> <p>Yes</p> <p>No</p>

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Tax deductible?	
Sun protection Claims for sunglasses, hats and sunscreen allowed for taxpayers who work outside (see 12.147).	Yes
Superannuation contributions Claims allowed in respect of employees. Substantially self-employed persons if their assessable income, reportable fringe benefits plus reportable employer superannuation contributions is less than 10% of their total assessable income from all sources, reportable fringe benefits plus reportable employer superannuation contributions total (see 18.026). No deduction is available for interest on borrowed monies used to finance deductible personal superannuation contributions.	Yes
Supreme Court library fees Applies to barristers and solicitors if paid on annual basis.	Yes
Tax agent fees (deduction can be claimed in the income year the expense is incurred). <ul style="list-style-type: none"> • Travel and accommodation expenses If for travel to a tax agent or other recognised tax adviser to obtain tax advice, have returns prepared, be present at audit or object against an assessment. • Cost of other incidentals If incurred in having tax return prepared, lodging an objection or appeal or defending an audit. 	Yes
Technical and professional publications	Yes
Telephones and other telecommunications equipment (see 12.155) (Including mobiles, pagers and beepers.) Cost of telephone calls (related to work purposes). <ul style="list-style-type: none"> • Installation or connection. • Rental charges (if 'on call' or required to use on regular basis). • Silent telephone number. 	Yes No Yes No
Tools (work related only) If cost is \$300 or less. <ul style="list-style-type: none"> • If cost more than \$300, the amount would be depreciable, and the amount deductible equals to the decline in value). 	Yes Yes
Trauma insurance If benefits capital in nature.	No
Travel expenses Including public transport, motor vehicles and motor cycles, fares, accommodation, meals and incidentals (see also 12.160). Travel between home and work. <ul style="list-style-type: none"> • Where employee has no usual place of employment (eg. travelling salesperson). • If 'on call'. • If actually working before leaving home (eg. doctor giving instructions over phone from home. Note that this applies in limited circumstances only). • Must transport bulky equipment (eg. builder with bulky tools). • Travel from home (which is a place of business) to usual place of employment. • Travel from home to alternate work place (for work-related purposes) and return to normal work place (or directly home). • Travel between normal work place and alternate place of employment (or place of business) and return (or directly home). • Travel between two work places. • Travel in course of employment: See Substantiation rules at 12.210. • Travel accompanied by relative (may be allowed if relative is also performing work-related duties). 	No Yes No Yes Yes No Yes No Yes Yes No
Union and professional association fees	Yes
Vaccinations	No
Union levees	No
Watch: Unless job specific such as a nurse's job watch.	No