



Tradesperson: work-related expenses

- <https://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Deductions-for-specific-industries-and-occupations/Tradesperson--work-related-expenses/>
- Last modified: 25 Jun 2018
- QC 56093

Tradesperson: work-related expenses

To claim a work-related deduction:

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

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

For a summary of this content in poster format, see [Tradesperson \(PDF, 248KB\)](#)  .

Deductions for tradespeople can include:

- [Travel and car expenses](#)
- [Clothing expenses](#)
- [Self-education expenses](#)
- [Overtime meal expenses](#)
- [Phone expenses](#)
- [Tools and equipment](#)
- [Other expenses](#)

Remember to report all [income](#) in your tax return and remove any portion of your expense that is not work-related.

When you claim a deduction, you are stating that everything you have told us is true and can be supported with [records](#). You are responsible for the claims you make in your tax return, even if you use a registered tax agent to prepare and lodge it on your behalf.

Travel and car expenses

- <https://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Deductions-for-specific-industries-and-occupations/Tradesperson--work-related-expenses/?page=2>
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You can claim the cost of travel you undertake in the course of performing your duties as an employee. Travel expenses you can claim may include:

- car expenses
- expenses for motorcycles and vehicles with a carrying capacity of one tonne or more, or nine or more passengers
- expenses like petrol, oil and repair costs if travelling in a car owned or leased by someone else
- public transport (including taxi fares)
- bridge and road tolls
- parking fees
- short-term car hire.

Normal trips between home and work are private in nature and can't be claimed. This applies even if you:

- live a long way from your usual workplace, or
- have to work outside normal business hours (for example weekend shifts).

In limited circumstances, you may be able to claim the cost of trips between home and work.

The [Work-related car expenses calculator](#) helps calculate the amount you can claim as a deduction for car expenses.

Transporting bulky tools and equipment

For an overview on what you can claim and records to keep, watch our YouTube video *Transporting bulky tools and equipment*.

Duration 0:50. A transcript of [Transporting bulky tools and equipment](#) is also available.

You can claim the cost of using your car to travel between your home and work if all of the following apply:

- you have to carry bulky tools and equipment, of at least 20kgs, you need to use at work
- it's essential to transport the equipment to and from work, not a matter of convenience or personal choice
- there is no secure storage area at your workplace.

Example: transporting bulky tools and equipment

Matt is a tradie. His employer does not supply a secure tools storage area at his workplace, so he must transport his bulky tools and equipment to and from work every day.

Matt is entitled to claim a deduction for the expenses he incurs to transport his tools and equipment between his home and work.

Jocelyn works on a large project where secure storage is available for her tools. As Jocelyn chooses to transport her tools to and from work every day, instead of leaving them in the secure storage provided, she can't claim a deduction for her transportation costs.

Travelling between workplaces

Work-related daily travel expenses also include the cost of travel:

- directly between two separate workplaces
- from your normal workplace to an alternative workplace that is not a regular workplace, while you are still on duty, and back to your normal workplace or directly home
- from your home to an alternative workplace that is not a regular workplace, and then to your normal workplace or directly home.

Example: travelling between workplaces

Jack and Bill are carpenters employed to construct roof trusses in their employer's factory and install the trusses in houses at a housing estate.

The cost of travel between the factory and the housing estate is an allowable deduction.

The travel between home and the factory or between home and the housing estate is travel to and from their normal work place. It is private and no deduction is allowed.

Shifting workplaces

You can claim the cost of travelling between your home and work if you have shifting workplaces – that is, you regularly work at more than one location each day before returning home.

Example: shifting workplaces

Doug is a plumber and is required to travel to several worksites each day to provide quotes to clients and work on various jobs.

Doug can claim a deduction for his car expenses between his home and work because he works at several worksites each day.

If you travel to and from a place of education because you are completing a [work-related education](#) course, you may be entitled to claim the travel costs as a self-education expense.

Parking expenses and tolls

You can claim a deduction for parking fees (but not fines) and tolls for work-related use – parking at or travelling to a regular workplace is not ordinarily considered to be a work-related use of the vehicle – if the expenses are incurred while travelling:

- between two separate places of work
- to a place of education for work-related self-education purposes (if the self-education expenses are deductible)
- in the course of performing your duties – for example, travel between home and work when transporting bulky tools and equipment.

Travel expenses you can't claim

Normal trips between home and work can't be claimed, even if:

- you work outside normal business hours – for example, working weekends or overtime
- you are on call
- you do minor tasks, such as picking up a timesheet on the way to work or home
- you live a long distance from work
- there is no public transport available so you use a car.

You can't claim a deduction for the cost of:

- travelling to another workplace for a social function
- any fines you receive, such as speeding or parking infringements.

Car expenses

Working out claims and what records are needed depends on whether the motor vehicle you use is considered to be a car and whether you own or lease it.

Working out if your vehicle is a car

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

- a vehicle with a carrying capacity of one tonne or more, such as a utility truck or panel van
- a vehicle with a carrying capacity of nine passengers or more, such as a minivan
- a motorcycle.

Refer to your vehicle manufacturer's handbook to determine if your vehicle has a load carrying capacity of one tonne or more. The load carrying capacity of your vehicle is the difference between the gross vehicle mass and the kerb weight.

If your vehicle is not a car, see [Claiming expenses for vehicles other than cars](#).

Example: load carrying capacity

Amal owns a vehicle with a gross vehicle mass of 2,402 kg and a kerb weight of 1,040 kg, therefore the payload or carrying capacity weight of Amal's vehicle is:

$$2,402 \text{ kg} - 1,040 \text{ kg} = 1,362 \text{ kg}$$

As the vehicle's payload or carrying capacity is greater than 1,000 kg (or one tonne), Amal's motor vehicle claim must be made at label [D2 Work-related travel expenses](#) on his tax return. Amal's claim is limited to the actual expenses incurred to the extent that the expenses are for work purposes.

Working out car expenses

If you are entitled to claim a deduction for your work-related car expenses you incur in the course of performing your job as an employee, there are two methods you can choose from to work out the amount you can claim. The two methods are the:

- [cents per kilometre method](#)
- [logbook method](#)

Cents per kilometre method

You can use this method to claim up to a maximum of 5,000 work kilometres, even if you have travelled more than 5,000 work kilometres. For example, even if you have travelled 5,085 work kilometres, you can't claim for the extra 85 kilometres.

When working out your deduction using the cents per kilometre method, you do not need receipts or other written evidence. However, we may ask you how you worked out your estimate of work kilometres. For example, by:

- using a diary of work-related travel
- basing your costs on a regular pattern of travel.

Example: regular pattern of travel

Rudy travels five kilometres each day while carrying out work-related activities. He worked Monday to Friday for 48 weeks during the income year. It would be reasonable for Rudy to calculate his work kilometres in the following way:

$$5 \text{ (km)} \times 5 \text{ (days)} \times 48 \text{ (weeks)} = 1,200 \text{ work kilometres}$$

Example: diary notation

Henry works on building sites. From his diary notes of appointments during the income year, he calculates that he has travelled 4,825 kilometres for work-related activities. Although he does not have an established pattern of travel, his diary notes form a reasonable basis for his calculation.

Logbook method

The logbook method provides a way of working out the percentage of your car use that is for work purposes. You can then claim a deduction for this percentage of each car expense you incur.

When using the logbook method, you must keep all of the following:

- a logbook – to work out the percentage of your car use that was for work purposes your logbook must cover a period of 12 continuous weeks and is valid for five years
- odometer records – record your opening and closing odometer readings for each year you use the logbook method
- written evidence for all your car expenses – you can use your odometer records to estimate your fuel and oil costs instead of keeping receipts.

Example: logbook method

Ange is employed by a large electrical company and uses her car for work purposes. She pays for fuel, oil, repairs and maintenance at the local garage. Ange pays by credit card, EFTPOS, or occasionally cash.

Ange claims her car expenses via the log book method, and so does not need to keep the receipts for fuel and oil (she relies on her odometer records). However, she needs to keep receipts for the repairs and maintenance.

See also:

- [Calculating your deduction](#)
- [Work-related car expenses](#)

Claiming expenses for vehicles other than cars

If you are eligible to claim your vehicle expenses and your vehicle is a motorcycle or has a carrying capacity of one tonne or more, such as some panel vans and utility trucks, you can only claim your actual expenses.

Your actual expenses include the cost of:

- fuel and oil
- repairs and servicing
- interest on a car loan
- lease payments
- insurance
- registration.

If you use your vehicle for both work and private purposes, you can use a diary to show how much of your expenses relate to each. Remember to keep receipts for your actual for expenses. Bank statements and credit card transaction receipts are not sufficient evidence, you need to keep your actual receipts.

Motor vehicle provided by your employer or another person

You can't claim a deduction for car expenses if your employer or any other person provides a car for you and you don't pay for any running costs.

You can't claim a deduction for any expenses you incur for the direct operation of a car your employer provides and you or your relatives use privately at any time, even if the expenses are work related. This includes a car provided under a salary sacrifice arrangement. However, you can claim expenses such as parking and bridge and road tolls for work-related use, but not if they relate to parking at, or travelling to, a regular workplace as it is not considered to be work-related use of the car.

However, we consider you to be the owner of a car and eligible to claim expenses where a family agreement or private arrangement made you the owner even though you were not the registered owner. For example, you can claim for a car that was given to you by another member of your family and which, although it was not registered in your name, you used it as your own and for which you paid all expenses.

See also:

- [Other travel expenses](#)

Overnight travel expenses

For an overview of rules to check and records to keep for overnight travel, watch our YouTube video *Need to claim overnight work-related expenses?*

Duration 1:18. A transcript of [Need to claim overnight work-related expenses?](#) is also available.

You can claim a deduction for overnight travel expenses if all the following apply:

- you declare any travel allowance you receive as income on your tax return
- your work activities require you to travel to a worksite away from home
- the work requires you to sleep away from home overnight
- you are only working away from home for relatively short periods of time – you are not living away from home
- you did not incur the expenses because of a choice you made to maintain your residence in a different location to your worksite
- you have a permanent home at a location away from the worksite to which you are travelling
- you pay for the overnight travel expenses yourself and are not reimbursed for the costs you incur.

Travel expenses include:

- meals
- accommodation
- incidental expenses.

See also:

- [Other travel expenses](#)
- [Travel diary](#)
- [Taxation Determination TD 2017/19](#) *Income tax: what are the reasonable travel and overtime meal allowance expense amounts for the 2017-18 income year?*
- [Reasonable amounts – exceptions for keeping travel expenses records](#)

Overnight travel expenses you can't claim

You can't claim a deduction for the travel expenses you incur if:

- your employer reimburses your expenses
- you live away from your usual home to perform your work.

If you live away from home for work, you may receive a living-away-from-home allowance to cover additional costs. A living-away-from-home allowance is not income and you can't claim deductions for your accommodation and meal costs.

Your employer should not show a living-away-from-home allowance on your payment summary. If it appears on your payment summary, check with your employer that it has not been shown by mistake.

Example: living away from home allowance

Joe is a project manager. He lives in the city with his family and applied for a job to work on a large construction project near a country town for 12 months. He is paid a living-away-from-home allowance by the construction company to meet his accommodation and meal costs in the country town.

The allowance is not income and should not be shown on Joe's payment summary. He can't claim a deduction for his accommodation and meal costs while living away for work.

Records of overnight travel expenses

You can claim a deduction for the amount you spent on travel expenses without keeping all your records if:

- you are required to travel for work
- you received a travel allowance to cover your accommodation, or meals or expenses incidental to the travel (a token amount paid as a travel allowance is not accepted as reasonably covering such costs)
- your travel expenses were equal to or less than the reasonable allowance amount we set (see below).

However, we may ask you to explain how you worked out the amount you claimed.

If the allowance is not shown on your payment summary and was not more than the reasonable allowance amount, you do not have to show it on your tax return as long as you:

- spent the entire allowance on deductible expenses, and
- are not claiming the deduction.

Otherwise, you must show the allowance on your tax return.

We set the reasonable allowance amount for your circumstances in an annual taxation determination explaining:

- when you do not need evidence of your expenses
- the way in which you can claim expenses.

The receipt of a travel allowance does not mean that you can automatically claim the reasonable allowance amount set out in the annual taxation determination. You can only claim the amount you actually spend on accommodation, meals and incidental expenses.

See also:

- [Reasonable amounts – exceptions for keeping travel expenses records](#)

Example: reasonable allowance amount

Antoni travels from Adelaide to Mt Gambier for a job. Away from home for five nights, his employer pays him a travel allowance of \$110 per night for accommodation, meals and incidentals. The allowance is not shown on his payment summary.

The travel allowance amount paid to Antoni is less than the reasonable allowance amount and he spends all of the travel allowance on his travel expenses.

Antoni chooses not to include his allowance on his tax return because:

- it is less than the reasonable allowance amount
- it is not shown on his payment summary
- he spends it all to cover his travel expenses.

This means Antoni can't claim a deduction for his expenses on his tax return.

Expenses for which you must keep records

If you are claiming more than the reasonable allowance, you must keep records showing the full amount you spent, not just the amount over the limit. These records include:

- a travel diary (showing dates, places, times and duration of your activities and travel) if your travel is six or more nights in a row
- invoices, receipts or other documents showing your travel expense details.

If you do not receive a travel allowance, you must keep all records.

See also:

- [Travel diary](#)

Award transport payments (fares allowance)

You can claim a deduction for expenses covered by award transport payments only if the expenses are for deductible work-related travel.

See also:

- [Award transport payments](#)

Clothing expenses

You may be able to claim a deduction for the costs you incur when you buy, rent, repair, or clean your work clothing. Deductible work clothing includes:

- compulsory uniforms and corporate wardrobes
- a single item of distinctive clothing such as a jumper, shirt or tie with the employer's logo if it is compulsory for you to wear it
- a non-compulsory corporate uniform if your employer has registered the design with AusIndustry
- protective clothing.

You can claim a deduction for the cost of washing, drying and ironing your deductible work clothing as laundry expenses. This also includes laundromat

expenses and the actual cost of dry-cleaning.

Compulsory uniforms

A compulsory uniform is a set of clothing identifying you as an employee of an organisation with a strictly enforced policy forcing you to wear it while at work.

You may be able to claim a deduction for shoes, socks and stockings if they are an essential part of a distinctive compulsory uniform, specified in your employer's uniform policy. The uniform policy must be consistently enforced. If your employer requires you to wear a distinctive uniform, but does not consistently enforce its wear, the design of the uniform must be registered before you can claim a deduction – see [Non-compulsory uniforms or corporate wardrobe](#).

Single items of compulsory clothing

You may be able to claim for a single item of distinctive clothing, such as a jumper or tie, if it is compulsory for you to wear it at work. Generally, clothing is distinctive if it has the employer's logo permanently attached and the clothing is not available to the general public.

Non-compulsory uniforms or corporate wardrobe

If your employer requires or encourages you to wear a distinctive uniform or corporate wardrobe but does not consistently enforce its wear, you can claim a deduction for the cost of the clothing only if the design of the clothing is registered. You can't claim for stockings, socks or shoes if you wear a non-compulsory uniform or corporate wardrobe, as these items can't be registered as part of a non-compulsory uniform. Your employer can tell you if your non-compulsory uniform or corporate wardrobe is registered.

Protective clothing

Protective clothing may include:

- fire-resistant clothing
- sun-protection clothing
- coloured safety vests
- rubber boots
- items designed to protect the wearer from risk of injury at work, such as
 - steel-capped boots
 - gloves
 - overalls
 - heavy duty shirts and trousers.

Jeans, drill shirts and trousers not designed to protect the wearer are not considered to be protective clothing.

See also:

- [Protective equipment](#)

Clothing expenses you can't claim

You can't claim a deduction for the cost of buying or cleaning plain clothing – for example, standard jeans or shirt – worn at work, even if you only wear it to work and your employer tells you to wear it.

Records of clothing expenses

You do not need to keep receipts or other written evidence of your claim if the total amount of your laundry expenses is \$150 or less, or your total claim for work-related expenses is \$300 or less. However, you must be able to show how you worked out your claim.

If your claim for laundry expenses is more than \$150 and your total claim for work-related expenses is more than \$300 (not including car, meal allowance, award transport payment allowance and travel allowance expenses), the records you must keep include:

- receipts, or other written evidence of your expenses
- diary entries you make to record
 - your small expenses (\$10 or less) totalling no more than \$200 for which you do not have a receipt
 - expenses that you can't get any kind of evidence for regardless of the amount – for example, a diary record of your laundromat costs.

See also:

- [Clothing, laundry and dry-cleaning expenses](#)

Self-education expenses

You can claim a deduction for self-education expenses with sufficient connection to your current work activities. In some circumstance you have to reduce the amount of your claim by \$250.

Self-education could include a formal course or attending a seminar.

Use our [Self-education expenses calculator](#) to work out your deductions.

For a course to be sufficiently connected to your current work activities, it must:

- maintain or improve the specific skills or knowledge you need in your current work activities
- result in, or be likely to result in, an increase in your income from your current work activities.

If your self-education satisfies one of these conditions, you can generally claim study-related items such as:

- textbooks
- course fees
- stationery

- internet access
- student union fees
- travel expenses to and from the place of education
- decline in value (depreciation) of equipment you use in your study, such as a computer.

You can only claim the decline in value based on how much you use the equipment for study purposes. For example, if you use your computer half for private purposes and half for study purposes, you can only claim half the decline in value.

You can claim a deduction for any renewal fees for regulatory permits, certificates, or 'cards'.

Example: self-education expenses

Francesco is an apprentice traveling a long distance to a technical college to attend his apprenticeship course on two consecutive days each fortnight. He is allowed a deduction for the cost of travel to and from his place of education, overnight accommodation, meals and incidentals.

\$250 reduction

If your self-education expenses relate to a course you did at a school, college or university, you may have to reduce your allowable self-education expenses by \$250. Self-education expenses are broken into five categories. Whether or not your claim is reduced by \$250 depends on the category of your expenses and does not apply to all self-education expenses. For more information, see [\\$250 reduction](#).

Example: reducing your self-education claim

Danh incurs self-education expenses totalling \$1,650 in connection with his apprenticeship course at a technical college. Some of Danh's self-education expenses fall under the category that requires Danh to reduce his claim by \$250. Therefore he reduces his claim by \$250 and is allowed a deduction for \$1,400.

Self-education expenses you can't claim

You can't claim a deduction for your self-education expenses that do not have a sufficient connection to your current work activities even though they:

- might be generally related to it
- enable you to get a new job.

Example: self-education expenses that can't be claimed

David is studying carpentry while working as a timber salesperson. He is offered a new position supervising the assembly of timber frames on an understanding that he will continue his studies. David can't claim deductions for his study expenses while employed as a salesperson. He can claim deductions for his study expenses while employed as a framing supervisor.

You can't claim a deduction for a pre-vocational course such as a pre-apprenticeship.

You can't claim a deduction for the initial cost of obtaining your state regulatory body work permits or certificates. These include 'cards' required to work on construction sites, occupational health and safety certificates or other regulatory permits.

If your employer pays for the course fees outright, or reimburses you upon your completion of your course, you are not entitled to claim a deduction for your course fees.

Records of your self-education expenses

You must keep records and these can be:

- receipts or other written evidence of your expenses, including receipts for depreciating assets you have purchased (for example, a laptop)
- diary entries you make to record
 - how much you used your equipment, home office, phone and internet access for self-education purposes over a representative four-week period
 - your small expenses (\$10 or less) totalling no more than \$200
 - expenses you can't get any kind of evidence for, regardless of the amount.

Overtime meal expenses

You can claim a deduction for overtime meal expenses provided that:

- you received a genuine overtime meal allowance from your employer that was paid under an industrial law, award or agreement
- you have included the amount of the overtime meal allowance as income in your tax return
- if your claim was more than the reasonable allowance amount, you have written evidence, such as receipts or diary entries, that shows the cost of the meals.

Any amount for overtime meals included as part of your normal salary or wages is not considered an overtime meal allowance.

You must include the allowance you received on your tax return if you:

- have an overtime meal allowance shown on your payment summary
- are claiming a deduction and the allowance is not shown on your payment summary
- received an allowance in excess of the reasonable allowance amount.

We set the reasonable allowance amount for your circumstances in an annual taxation determination explaining:

- when you do not need evidence of your expenses
- the way in which you can claim your overtime meal expenses.

Example: overtime meal expenses

Ash was employed for a major painting job at a shopping centre. He was required to work overtime for 10 days. Ash was paid an overtime meal allowance of \$30.05 for each night he worked overtime equivalent to the reasonable rate set by us.

Ash was happy to spend \$14.00 each time on a takeaway meal. At the end of the income year his payment summary showed he received \$288 in allowances which represented the 10 overtime days × \$30.05.

In his tax return, Ash correctly showed the \$300 allowance and claimed deductions of $\$14.00 \times 10 = \140 . This is the amount he had actually spent on his overtime meals.

The difference of \$160 ($\$300 - \140) will be included as taxable income on Ash's tax assessment.

Receiving an overtime meal allowance does not automatically entitle you to a deduction. Only the actual amount incurred on work-related overtime meal allowance expenses can be claimed.

If the overtime meal allowance is not shown on your payment summary and was not more than the reasonable allowance amount in the relevant income year, you do not have to show it on your tax return as long as you:

- spent the entire allowance on expenses for which you can claim a deduction
- are not claiming a deduction for overtime meals.

See also:

- [TD 2017/19](#) *Income tax: what are the reasonable travel and overtime meal allowance expense amounts for the 2017–18 income year?*
- [TR 2004/6](#) *Income tax: substantiation exception for reasonable travel and overtime meal allowance expenses*
- [Reasonable amounts – exceptions for keeping travel expenses records](#)

Records of your overtime meal expenses

When claiming overtime meals requiring evidence, you should keep the following records to support your claim:

- receipts, or other written evidence of your expenses
- diary entries you make to record
 - your small expenses (\$10 or less) totalling no more than \$200 for which you do not have a receipt
 - expenses you can't get any kind of evidence for, regardless of the amount (for example, food from a vending machine)
- evidence of your overtime meal allowance payments, such as
 - payment summaries
 - pay slips
 - a letter from your employer.

Phone expenses

You can claim a deduction for the cost of work-related phone calls you make. If you also use your phone for private purposes, you can only claim the portion of your phone rental costs and calls related to work-related use of the phone.

If you are reimbursed for part or all of your phone expenses, or provided with a pre-paid SIM card by your employer, you can only claim a deduction for the work-related portion you have not been reimbursed for.

See also:

- [Claiming phone expenses](#)

Keeping records of phone expenses

You may be able to identify your work-related calls individually on your itemised phone bill. If you do not receive itemised bills, for instance you use a pre-paid SIM, you can make a reasonable estimate of your call costs based on diary records you have kept over a four-week period, together with your relevant phone bills.

Example: records of phone expenses

Daniel uses his mobile phone for work purposes. He is on a set plan of \$49 a month and rarely exceeds the plan cap.

Daniel receives an itemised bill from his phone provider each month.

At least once a year, Daniel prints out his bill and highlights the work-related calls he made. He makes notes on his bill for the first month about who he is calling for work – for example, his manager and his clients.

Out of the 300 calls he made in a four-week period, Daniel works out 30 (10%) of the calls are for work and applies that percentage to his cap

amount of \$49 a month. The other two months that Daniel reviews are consistent with this.

Since Daniel was only at work for 46 weeks of the year (10.6 months), he calculates his work-related mobile phone expense deduction as follows:

$$10.6 \text{ months} \times \$49 \times 10\% = \$52$$

Tools and equipment

You can claim an immediate deduction for each tool or piece of equipment that:

- you use for your work as an employee
- costs you \$300 or less
- was not one of a number of identical or substantially identical tools you started to hold in the income year that cost more than \$300
- was not part of a set of tools that you started to hold in the income year that cost more than \$300.

If the tool or piece of equipment costs more than \$300, you can't claim an immediate deduction for its full purchase price. However, you can claim a deduction for its decline in value (depreciation). Your claim for depreciation applies to the whole amount, not just the amount over \$300.

Next step:

- Use our [Depreciation and capital allowances tool](#)

Example: depreciating (no immediate deduction)

Anna needed a new set of 16 spanners for work. She could not afford the \$330 cost, so she bought them all individually over 2016.

Although they only cost \$22 each, Anna can't claim an immediate deduction for the spanners because they are part of a set she bought in the 2016 income year that cost more than \$300. Anna can claim a deduction for the decline in value of the set, which in the end cost \$352.

If in a following year, Anna breaks one of the spanners and has to buy a replacement, she will be able to claim an immediate deduction for the replacement because it won't be part of a set she bought in that year that cost more than \$300.

If you use the tool or piece of equipment partly for private purposes, the amount you can claim depends on the amount of time you use the tool or equipment for work purposes.

You can also claim the work-related cost of repairing and insuring your tools and equipment, and any interest charges you incur on money you borrowed to purchase these items.

If you are a new apprentice and you received government funded tools through your employer, you can't claim a deduction for the costs or decline in value of those tools.

Example: effective life

Tal purchased a tool set on 5 September for \$1,500 and only uses them for work purposes.

He visits our website and looks up our ruling on the effective life of depreciating assets. The ruling says the effective life of loose tools is five years.

He works out the deduction for the decline in value of his tool set using the prime cost method in this way:

$$(\text{Asset cost} \times (\text{days held} \div 365) \times (\text{work use percentage} \div 5))$$

He has held the tools for 300 days and his work use percentage is 100%.

$$\$1,500 \times (300 \div 365) \times (100 \div 5) = \$246$$

Tal can therefore claim \$246 for the decline in value of his tool set in the first year. Using the same method, he will also be able to claim \$300 per year in the following four years and \$54 in the final (sixth) year.

Protective equipment

You can claim an immediate deduction for personal protective equipment you use on the job costing \$300 or less. This includes:

- safety helmets
- ear muffs
- harnesses
- face masks
- goggles
- safety glasses
- breathing masks.

You can't claim an immediate deduction for protective equipment costing more than \$300 that you use for more than a year. You can claim a deduction for its decline in value (depreciation).

A deduction is not allowable for the cost of prescription glasses or contact lenses,

as the expense relates to a personal medical condition.

You can't claim a deduction for any equipment if the cost was met or reimbursed by your employer.

Sunglasses, sunhats and sunscreens

You can claim a deduction for these items if your work requires you to work in the sun and you use these items to protect yourself while at work.

Records of your tool and equipment expenses

The records you must keep may include:

- receipts or other written evidence of your expenses, including receipts for depreciating assets you have purchased
- diary entries you make to record
 - your small expenses (\$10 or less) totalling no more than \$200
 - expenses you can't obtain any kind of evidence for, regardless of the amount.

Capital allowances

You can claim a deduction, called a capital allowance, for the decline in value of equipment used for work. If the equipment is also used for private purposes, you can't claim a deduction for that part of the decline in value.

You can't claim a deduction if the equipment is supplied by your employer or any other person.

Generally, the amount of your deduction depends on the effective life of the equipment.

Equipment costing \$300 or less

If you purchased equipment costing \$300 or less and you use it mainly for work, you can claim an immediate deduction for the work-related portion of the cost.

Low-value pool

There is also an option to pool equipment costing less than \$1,000 and equipment written down to less than \$1,000 under the diminishing value method. A deduction for the decline in value of equipment in such a low-value pool is worked out by a single calculation using set rates.

Equipment for which you may be able to claim a capital allowance includes:

- answering machines, phones, facsimile machines, mobile phones, pagers and other telecommunications equipment
- tools and equipment.

See also:

- [Guide to depreciating assets](#)
- [Depreciation and capital allowances tool](#)

Other expenses

Other expenses you may be able to claim are:

- First aid courses – you can claim a deduction for the cost of first aid training courses if you, as a designated first aid person, are required to undertake first aid training to assist in emergency work situations.
- Insurance of tools and equipment – you can claim a deduction for the cost of insuring your tools and equipment to the extent that you use them for work.
- Interest costs – you can claim the cost of interest on money borrowed to purchase work-related equipment. If the equipment was also used for private purposes, you can't claim a deduction for that part of the interest.
- Licences – you can claim a deduction for the cost of renewing your licences and certificates that relate to your work, but not your driver's licence. You can't claim the cost of getting your initial licence or certificate.
- Seminars, conferences and training courses – you can claim a deduction for the cost of attending seminars, conferences and training courses that are sufficiently connected to your work activities.
- Stationery – you can claim a deduction for the cost of street directories, logbooks, diaries, pens and other stationery to the extent that you use them for work.
- Technical or professional publications – you can claim a deduction for the cost of journals, periodicals and magazines that have a content sufficiently connected to your employment as a tradesperson.
- Union and professional association fees – you can claim a deduction for these fees. If the amount you paid is shown on your payment summary, you can use it to prove your claim. You can claim a deduction for a levy paid in certain circumstances – for example, to protect the interests of members and their jobs. You can't claim a deduction for levies or other amounts you paid to assist families of employees suffering financial difficulties as a result of employees striking or having been laid off.

Expenses you can't claim

You can't claim:

- Child care – you can't claim a deduction for child care expenses. These are private expenses even if you need child care to go to work.
- Fines – you can't claim a deduction for fines imposed under law, for example, a fine you received if you were caught speeding when driving between jobs.
- Glasses and contact lenses – you can't claim a deduction for buying prescription glasses or contact lenses as it's a private expense relating to a personal medical condition. You may be able to claim a deduction for eye protection equipment or the cost of protective [Sunglasses, sunhats and sunscreens](#).
- Newspapers – you can't claim a deduction for the cost of newspapers.

- Removal and relocation – you can't claim a deduction for the cost involved in taking up a transfer in an existing employment or taking up new employment with a different employer.

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.

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