

Checklist of employment-related deductions

This checklist contains a general list of general and specific employment-related deductions and should be used as a guide only. The results may vary depending on individual circumstances. The individual must also hold the relevant written evidence where required.

Also, 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? | |
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| 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 <i>Travel</i> . | |
| Child care fees | No |
| Cleaning: Of protective clothing and uniforms – see <i>Laundry</i> . | 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: Software is deductible if it costs less than \$300, otherwise deductible over 2.5 years. Except in-house developed software which is over five years (four years before 1 July 2015) | Yes |
| Conferences, seminars and training courses: Allowed if designed to maintain or increase employee's knowledge, skills or ability. | Yes |
| 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 <i>Gifts</i> . | |
| Driver's licence: Cost of acquiring and renewing. | No |
| Dry cleaning: Allowed if the cost of the clothing is also deductible. See also <i>Laundry</i> . | 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: 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 13.800): 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 |

| Tax deductible? | |
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| Glasses and contact lenses (prescribed): Deductible if “protective clothing”. | No |
| Glasses and goggles: Protective only. | Yes |
| Grooming | No |
| HELP/HECS repayments | No |
| Home office expenses: Utility expenses (for example, heat, light, power and depreciation on depreciating assets). (Remember “shortcut method” if applicable) 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: 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. Fines and administrative penalties are not deductible. Interest on capital protected loans deductible except for non-deductible capital protection component. | Yes |
| Internet and computer equipment: 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 laundry expenses up to \$150 do not need to be substantiated (see <i>Laundry</i>). | Yes |
| Legal expenses: Renewal of existing employment contract. | Yes |
| 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. | No Yes No Yes |
| Medical examination: Only if from the referral of a work-related business licence. | Yes |
| Motor vehicle expenses: See <i>Travel expenses</i> . | |
| 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. | Yes No |
| 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. | 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. | Yes |
| Professional association and membership fees: Maximum of \$42 if no longer gaining assessable income from that profession. Up front joining fees are generally capital in nature so would not be deductible under s8-1. Annual deductions may also be available in the same year under s8-1 where the criteria are satisfied – s25-55. | 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). | Yes Yes Yes |
| 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. | 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 |

| Tax deductible? | |
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| Self-education costs: Claims for fees, books, travel (see below) and equipment etc 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. | Yes |
| Seminars Including conference and training courses if sufficiently connected to work activities. | Yes |
| Social functions | No |
| Stationery (diaries, log books etc.) | Yes |
| Subscriptions <ul style="list-style-type: none"> • Publications If a direct connection between publication and income earned by taxpayer. • Sports clubs. | Yes No |
| Sun protection Claims for sunglasses, hats and sunscreen allowed for taxpayers who work outside. | Yes |
| Superannuation contributions: From 1 July 2017 the requirement that you derive less than 10% of your income from employment sources has been abolished and regardless of your employment arrangement you may be able to claim a tax deduction. Those aged 65 to 74 will still need to meet the work test in order to be eligible to make a contribution and claim a tax deduction. The Government has announced that, from 1 July 2020, it will allow voluntary superannuation contributions to be made by individuals aged 65 and 66 without having to meet the work test. 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 for 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 (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 |
| Trauma insurance If benefits capital in nature. | No |
| Travel expenses Including public transport, motor vehicles and motor cycles, fares, accommodation, meals and incidentals. <ul style="list-style-type: none"> • Travel between home and work. • 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) and have no secure lockup provided at work site • 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. • Travel accompanied by relative (may be allowed if relative is also performing work-related duties). | No Yes No Yes Yes No Yes Yes Yes No |
| Union and professional association fees | Yes |
| Vaccinations | No |
| Watch: Unless job specific such as a nurse's job watch. | No |