

# If you're a tradie it pays to learn what you can claim at tax time



## To claim a deduction for work-related expenses

- 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.\*

You can only claim the work-related part of expenses. You can't claim a deduction for any part of the expense that relates to personal use.

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

## Car expenses



- ✓ **You can claim** a deduction for the cost of travel while performing your duties. This includes travel between different work locations, including for different employers.

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 (eg weekend shifts).

In limited circumstances **you can claim** the cost of trips between home and work, where:

- you had shifting places of employment (that is, you regularly worked at more than one site each day before returning home)
- you were required to carry bulky tools or equipment for work and all of the following conditions were met
  - The tools or equipment were essential for you to perform your employment duties and you didn't carry them merely as a matter of choice.
  - The tools or equipment were bulky – meaning that because of their size and weight they were awkward to transport and could only be transported conveniently by the use of a motor vehicle
  - There was no secure storage for the items at the workplace.

If you claim car expenses, you must:

- keep a logbook of your work trips, or
- be able to show us your claim is reasonable if you use the cents per kilometre method (for claims up to 5,000 km only).

Your vehicle is not considered to be a car if it is a vehicle with a carrying capacity of:

- one tonne or more, such as a ute or panel van
- nine passengers or more, such as a minivan.

In these circumstances (eg if you use a ute) **you can claim** the proportion of your vehicle expenses that relate to work – such as fuel, oil, insurance, repairs and servicing, car loan interest, registration and depreciation.

Keep receipts for your actual expenses. You cannot use the cents per kilometre method for these vehicles. While it is not a requirement to keep a logbook, it is the easiest way to show how you have calculated your work-related use of the vehicle.



## Travel expenses



- ✓ If you are required to travel away from home overnight for work, **you can claim** a deduction for accommodation and meal expenses.

Receiving an allowance from your employer does not automatically entitle you to a deduction. You need to be able to show you were away overnight for work and you spent the money.

## Clothing expenses



- ✓ **You can claim** a deduction for:
  - the cost of buying, mending and cleaning uniforms that are unique and distinctive to your job (eg a uniform your employer requires you to wear)
  - protective clothing your employer requires you to wear (eg hi-vis vests, steel-capped boots and safety glasses).
- ✗ **You can't claim** a deduction for plain clothing worn at work, even if your employer tells you to wear it or you only wear it for work (eg jeans or a plain shirt).

## Tools and equipment expenses



- ✓ **You can claim** a deduction for tools or equipment you are required to buy for your job.
- ✗ If you also use the tools or equipment for private purposes, **you can't claim** a deduction for that use. For example, if you have a tool set that you use for private purposes half the time you can only deduct 50% of the cost. If the tools or equipment are supplied by your employer or another person, you can't claim a deduction.

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

- cost more than \$300 – **you can claim** a deduction for the cost over a number of years
- cost \$300 or less – **you can claim** an immediate deduction for the whole cost.

## Other common deductible expenses



- ✓ Other work-related expenses **you can claim** include:
  - protective equipment such as sunscreen, sunhats and sunglasses
  - union fees
  - phone expenses if you have to make phone calls or send texts for work.

Remember, you can only claim the work-related part of the expense.

This is a general summary only.  
For more information, go to [ato.gov.au/occupations](https://ato.gov.au/occupations)



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# If you're a tradie it pays to learn what you can claim



## To claim a deduction for work-related expenses:

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

You can only claim the work-related portion of an expense. You can't claim a deduction for any part of an expense that does not directly relate to earning your income.

\* You can use the [myDeductions](#) tool in the ATO app to keep track of your expenses and receipts throughout the year.

## Car expenses



- ✘ **You can't claim** the costs of trips between home and work, even if you live a long way from your usual workplace or have to work outside normal business hours – for example, weekend work.
- ✔ **You can claim** the cost of using a car you own when you drive:
  - directly between separate jobs on the same day – for example, travelling from your first job as an electrician to your second job as a TAFE teacher
  - to and from an alternate workplace for the same employer on the same day.
- ✔ In limited circumstances, **you can claim** the cost of trips between home and work, where:
  - you have shifting places of employment (that is, you have no fixed place of work and you continually travel from one work site to another throughout your workday)
  - you carry bulky tools or equipment for work and all of the following apply

- the tools or equipment are essential to perform your employment duties and you don't carry them merely as a matter of choice
- the tools or equipment are bulky, meaning that because of the size and weight they are awkward to transport and can only be transported conveniently by the use of a motor vehicle
- there is no secure storage for the items at the workplace.

If you claim car expenses, you can use the logbook method or the cents per kilometre method to calculate your deduction.

If you use the logbook method, you need to keep a valid logbook to determine work out the percentage of work-related use along with written evidence of your car expenses.

If you use the cents per kilometre method, you need to be able to show how you calculated your work-related kilometres and that those kilometres were work related.

If you claim your work-related car expenses using one of the above methods, you can't claim any further deductions in the same tax return for the same car. For example, petrol, servicing, and insurance costs.

If your vehicle has a carrying capacity of one tonne or more, such as a ute or panel van, you can't use the cents per kilometre method or the logbook method to calculate your claim. You can claim the actual costs you incur for the work-related use of your vehicle.


## Travel expenses

- ✔ **You can claim** travel expenses if you travel away from your home overnight in the course of performing your employment duties. Travel expenses can include meals, accommodation, fares and incidental expenses you incur when travelling for work.
- ✘ **You can't claim** a deduction if the travel is paid for, or you are reimbursed by your employer or another person.

## Clothing and laundry expenses (including footwear)

With a few exceptions, clothing can't be deducted as a work-related expense.

- ✘ **You can't claim** the cost to buy, hire, repair or clean conventional clothing you wear for work, even if your employer requires you to wear it and you only wear these items of clothing at work. 'Conventional clothing' is everyday clothing worn by people – for example, drill shorts, jeans or plain shirts.
- ✔ **You can claim** the cost to buy, hire, repair or clean protective clothing. Protective clothing has protective features or functions which you wear to protect yourself from specific risks of injury or illness at work. For example, steel-capped boots, safety glasses or fire-resistant clothing.
- ✘ **You can't claim** a deduction if your employer pays for or reimburses you for these expenses.

 **This is a general summary only.**  
For more information, go to [ato.gov.au/tradie](https://ato.gov.au/tradie) or speak to a registered tax professional.

## Tools and equipment expenses

- ✔ **You can claim** the cost of tools and equipment you use for work, including repairs and insurance.  
If a tool or equipment costs:
  - more than \$300 – you claim a deduction for the cost over a number of years (decline in value)
  - \$300 or less (and doesn't form part of a set that costs more than \$300) – you can claim an immediate deduction for the whole cost.
- ✘ **You can't claim** tools and equipment that are supplied by your employer or another person.  
If you also use the tools and equipment for private purposes, you can only claim the work-related portion.

## Other expenses

- ✔ **You can claim** the work-related portion of other expenses that relate to your employment, including:
  - renewing your licence, regulatory permit, card or certificate to continue to perform your work duties
  - sunscreen, sunhats and sunglasses where your duties require you to spend prolonged periods working outdoors
  - phone and internet costs, with records showing your work-related use
  - overtime meal expenses that you buy and eat when you work overtime, if your employer paid you an overtime meal allowance under an industrial law, award or agreement for the overtime and it's included in your assessable income.
- ✘ **You can't claim** private expenses such as driver's licence, music subscriptions, fines or childcare.

