

**Tax deductible:**

- Annual practicing certificate:** Applies to professional persons and other contractors who must pay an annual fee to practice in their chosen field.
- Bank charges:** Deductions are allowed if account earns interest. Not private transaction fees.
- 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.
- 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.
- Cleaning:** Of protective clothing and uniforms
- Clothing, uniforms and footwear**
  - **Compulsory uniform:** Uniform must be unique and particular to an organisation (e.g. 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 (e.g. chefs and nurses)
  - **Protective:** Must be used to protect the person or their conventional clothing. May include sunscreen.
- 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 four years.
- Conferences, seminars and training courses:** Allowed if designed to maintain or increase employee's knowledge, skills or ability.
- 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.
- Dry cleaning:** Allowed if the cost of the clothing is also deductible.
- First Aid course:** Provided it is directly related to employment or business activities.
- Gifts of \$2 or more:** If made to approved 'deductible gift recipient' body or fund. Gifts to clients are deductible if employees can demonstrate a direct connection with earning assessable income.
- Glasses and goggles:** Protective only
- Home office expenses:** 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.
- Interest:** Allowed if money borrowed for work-related purposes or to finance income earning assets. Interest paid on underpayment of tax (e.g. 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.
- 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 (e.g. share investing).
- Laundry and maintenance:** Allowed if the cost of clothing is allowable. Reasonable claims of laundry expenses up to \$150 do not need to be substantiated.
- Legal expenses:** Renewal of existing employment contract.

## Employment-related claims

- Meals:** acquired when travelling overnight for work related purpose or overtime meals if allowance received under award.
- Medical examination:** Only if from the referral of a work-related business licence.
- Overtime meal expenses:** Only if award overtime meal allowance received.
- Parking fees and tolls:** Includes bridge and road tolls (but not fines) paid while travelling for work-related purposes.
- Practicing certificate:** Applies to professional employees.
- Prepaid expenditure for tax shelter arrangements:** They must be spread over the period in which the services are provided.
- 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.
- Professional library:** Established library. New books: Full claim if cost \$300 or less, or depreciation if cost over \$300.
- 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.
- Registrations:** cost of renewal only (e.g. nurses' registration)
- Repairs:** income producing property/or work-related equipment
- Self-education costs:** Claims for fees, books, travel 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, but this can be offset against private expenses, e.g. travel, child minding fees, etc.
- Seminars:** Including conference and training courses if sufficiently connected to work activities.
- Stationery:** diaries, log books etc.
- Subscriptions:** Publications if a direct connection between publication and income yeared by taxpayer.
- Sun protection:** Claims for sunglasses, hats and sunscreen allowed for taxpayers who work outside.
- Tax agent fees:** deduction can be claimed in the income year the expense is incurred.
- Technical and professional publications**
- Telephones:** Cost of telephone calls related to work purposes.
- Tools:** Work related only, if cost is \$300 or less. Otherwise depreciable.
- Travel expenses:** including public transport, motor vehicles and motor cycles, fares, accommodation, meals and incidentals:
  - Where employee has no usual place of employment
  - If actually working before leaving home(e.g. doctor giving instructions over phone from home)
  - Must transport bulky equipment (e.g. builder with bulky tools)
  - Travel from home to an alternative work place and return to normal work place or directly home.
  - Travel between normal work place and alternate place of employment and return or directly home.
  - Travel between two work places
  - Travel in course of employment
- Union and professional association fees**
- Watch:** only if job specific such as a nurse's job watch.

**Not tax deductible:**

- Admission fees:** for lawyers and other professional. Disallowed as capital cost.
- 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.
- Child care fees**
- Club membership fees**
- Conventional clothing**
- Drivers licence**
- Entertainment expenses**
- Fines**
- Glasses and contact lenses (prescribed):** Deductible if 'protective clothing'
- Grooming**
- HELP/HECS repayments**
- Meals:** eaten during normal working day or when travelling (not overnight)
- Medical expenses:** e.g. immunisation, prescription glasses, hearing aids
- Newspapers:** Claims may be allowed in limited cases if the publication is directly related to income-producing activities.
- Passport**
- Photographs:** (performing arts – with income producing purpose) cost of preparing portfolio.
- Police clearance certificates:** no deduction allowed prior to commencement of employment
- Removal and relocation costs:** If paid by the employer, may be exempt from FBT, but deductible.
- Social functions**
- Subscriptions:** Sports clubs
- Telephones:** installation or connection costs
- Trauma insurance:** If benefits capital in nature
- Travel expenses:**
  - Travel between home and work
  - If 'on call'
  - Travel from home (which is a place of business) to usual place of employment.
  - Travel accompanied by relative (may be allowed if relative is also performing work-related duties)
- Vaccinations**
- Union levees**
- Watch**