




# Allowable tax deductions


 Unless otherwise stated all deductions noted below require invoices/receipts to be kept for substantiation purposes in the case of an ATO audit.

- **DONATIONS** - these must be \$2 or more and made to a deductible gift recipient.
- **PROFESSIONAL LIBRARY** - books used mainly for work related purposes and costing under \$300 can be claimed in the year they are purchased. Books costing more than \$300 will be depreciated and claimed over a number of years.
- **WORKING FROM HOME** - based on the number of hours you work from home, noting you no longer require a dedicated home office to use this method. The ATO allows a revised rate of 67 cents per hour claim for certain expenses such as data/ internet, mobile and home phone usage, electricity and gas, computer consumables and stationery. From 1 July 2022 to 28 February 2023, you are required to keep a diary for 4 weeks to establish a pattern of time you worked from home. From 1 March 2023, a record of all the hours you worked from home is required (i.e. timesheets, roster, diary, etc.).
- **UNIFORMS WITH A LOGO, PROTECTIVE CLOTHING AND FOOTWEAR** - you can claim the purchase of these items. You can also claim the cost of washing the uniforms/ clothing up to maximum value of \$150 per year (without needing any receipts to substantiate this cost). You just need a reasonable estimate of the laundry costs (i.e. how many washes per week at what cost per load).
- **IPADS/MOBILE PHONES/COMPUTERS/OTHER WORK-RELATED EQUIPMENT** - Items costing under \$300 can be claimed in the year they are purchased. Items costing more than \$300 will be depreciated and claimed over a number of years. If there is any private use on these items, the percentage must be estimated and excluded from the claim. Please also advise the purchase date.
- **MOTOR VEHICLE** - please note that work related travel does not include trips to and from your usual place of work or your home. There are two methods of claiming motor vehicle expenses depending on the number of kilometres travelled.
  1. If you travel under 5,000 kilometres for work related travel you can claim based on the cents per kilometre method. To work out your claim you multiply the number of work related kilometres travelled by the ATO rate. Trips taken in a standard car can be claimed at 78 cents per kilometre. The number of kilometres travelled needs to be substantiated by a diary or log of the trips taken.
  2. If you travel over 5,000 kilometres for work related travel you can claim based on the log book method. The log book will need to be kept for at least 12 consecutive weeks to determine the percentage of business use. The logbook must include the destination and purpose of every journey, the odometer reading at the start and end of each journey, the total kilometres travelled during the period and odometer readings for the start and end of the logbook period. To work out your claim, apply the business use percentage to all costs of the vehicle e.g. fuel, repairs and servicing, registration and insurance, depreciation, interest on finance etc. Your log book is valid for 5 years provided your job or vehicle usage does not change substantially. If you are using the logbook method for 2 or more cars, you must keep a logbook for each car and make sure they cover the same period.
- **PROFESSIONAL MEMBERSHIPS AND SUBSCRIPTIONS.**
- **TRAINING/CONFERENCES/TRAVEL/ACCOMMODATION** - you can claim the cost of attending seminars, conferences, or training courses to maintain or increase the knowledge, capabilities or skills you need to earn your income in your current employment. You can only claim accommodation and meals if you need to travel and stay away from home overnight to attend the event. If there is a private component of the travel this must be apportioned and not claimed.
- **ACCOUNTING FEES.**
- **INCOME PROTECTION INSURANCE POLICY PREMIUMS.**
- **PROFESSIONAL INDEMNITY INSURANCE** policy premiums.
- **WORK RELATED STUDY** - you can claim costs of post graduate study (such as course fees, books, union fees, certain travel costs) where it maintains or improves the specific skills or knowledge used in your current employment, or is likely to result in an increase in your income from your current employment.
- There may be other claims specific to your situation which we can discuss with you during the preparation of your tax return.

## Contact your Pilot advisor on 07 3023 1300


If you would like to discuss any of the above or would like assistance with your accounting and taxation matters, please contact **Angela Stavropoulos, Kristy Baxter** or **Laura Allen** on [info@pilotpartners.com.au](mailto:info@pilotpartners.com.au) or 07 3023 1300.

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