



Occupational rulings guide 2014–15

This guide provides information on tax deductions for specific occupations based on the relevant taxation ruling.

Last updated 29 May 2015

This guide provides information on tax deductions for specific occupations based on the relevant taxation ruling for each occupation covered. It will help you work out the deductions you can claim, and:

- looks at the common expenses you might incur in your occupation
- explains the claims you can and cannot make
- includes information about some changes to the tax laws that have occurred since the ruling was issued, for example, capital allowances.

To get your deduction claims right, use this guide with the **Individual tax return instructions**.

Remember, when you sign your tax return, you are declaring that:

- everything you have told us is true, and
- you have or can get the written evidence you need to prove your claims.

You are responsible for this proof even when you use a registered tax agent.

Publications and services

To find out how to get a publication referred to in this guide and for information about our other services, see [More information](#).

Income

Individual tax return instructions questions **1-12** and *Individual tax return instructions supplement* questions **13-24** deal with income. This section of the guide tells you how to include on your tax return:

- allowances
- reimbursements
- reportable fringe benefits
- reportable employer superannuation contributions.

Allowances

You can select your occupation to read about common allowances you may receive.

If any allowance is shown as a separate amount on your payment summary, include it as income at item **2** on your tax return. All other taxable allowances are included in the gross earnings column of your payment summary.

Remember, you cannot automatically claim a deduction just because you received an allowance. To work out whether you can claim a deduction, see questions **D1** to **D5** in *Individual tax return instructions*.

Reimbursements

If your employer or any other person reimburses you for expenses you have actually incurred, the payment is called a reimbursement.

Generally, you do not include a reimbursement as part of your income, so you cannot claim a deduction for the expense that was reimbursed.

However, you must show as income at item **2** on your tax return amounts that you received as:

- allowance for car expenses, or
- reimbursement for car expenses (worked out on the distance the car travelled).

You may be able to claim car expenses in these circumstances. For guidance on the rules relating to deductions for car expenses, see [Car expenses](#).

Reportable fringe benefits

Your employer must report on your payment summary the total pre-tax value of certain fringe benefits (the 'grossed-up' amount of fringe benefits) which they provided to you (or your relatives) when these benefits exceed \$2,000 for you. For example, the grossed-up amount for \$2,001 worth of benefits is a pre-tax value to you of \$3,738.

You do not include this grossed-up amount in your total income or loss amount and you do not pay income tax or Medicare levy on it.

However, we use the grossed-up amount to determine:

- surcharges, if any, that apply to you
- deductions that you can claim
- tax offsets and other government benefits for which you are eligible.

For more information on reportable fringe benefits, see **question IT1** in the *Individual tax return instructions*.

Reportable employer superannuation contributions

Your employer must report the amount of reportable employer superannuation contributions on your payment summary.

If your payment summary shows an amount at **reportable employer superannuation contributions** and you do not salary sacrifice amounts to superannuation, then you should ask your employer to confirm that the amount of reportable employer superannuation contribution on your payment summary does not include compulsory contributions such as super guarantee or award contributions.

We will not include reportable employer superannuation contributions in your income and you will not pay income tax or Medicare levy on it. However, we use reportable employer superannuation contributions to determine:

- your eligibility for some tax offsets
- the government super contribution and other government benefits
- whether the Medicare levy surcharge applies to you.

For more information on reportable employer superannuation contributions, see **question IT2** in *Individual tax return instructions*.

Work-related deductions

Individual tax return instructions questions **D1** to **D5** deal with work-related deductions. You can claim deductions for the work-related expenses you incurred while doing your job.

See the basic rules for **claiming deductions**. Remember:

- If you are claiming a deduction for a work-related expense for which you received an allowance, then include the amount of the allowance at item **2** on your tax return.
- If you incur an expense for both work and private purposes, you can claim a deduction only for the work-related portion of your expense.
- If your work-related expense includes an amount of goods and services tax (GST), the GST is part of the total expense and is therefore part of your deduction.

Car expenses

Did you have car expenses relating to your work as an employee?

There are four ways to work out your car expenses. **Question D1** in *Individual tax return instructions* explains the methods and tells you what records you need to prove your claim.

Include the work-related cost of using taxis, short-term car hire, parking fees and tolls at item **D2** on your tax return, see [Travel expenses](#).

Show the cost of travel for self-education at item **D4** on your tax return, see [Self-education expenses](#).

If your employer reimbursed your car expenses calculated according to the distance travelled by the car, include the amount you received at item **2** on your tax return, even if you cannot claim a deduction for these expenses.

Types of travel for which you can claim car expenses

You can claim a deduction for the cost of using your car for work-related travel if:

- you travel directly between two separate workplaces because you have two different employers (for example, you have a second job)
- you travel for work-related purposes from your normal workplace to an alternative workplace and back to your normal workplace or directly home (for example, you go to a meeting at another location and then home)
- you travel between two workplaces or between a workplace and a place of business (for example, between two offices).

You cannot claim a deduction for the cost of travelling to another location for a social function.

You can claim a deduction for the cost of using your car to travel between home and work if:

- you have to carry bulky tools or equipment for work **and** there is no secure area for storing your tools or equipment at work
- your home is considered a base of employment and you either commence work at home and travel directly to another base of employment to continue working, or travel from another base of employment to home to continue working, or
- you travel from your home to an alternative workplace for work activities and then to your normal workplace or directly home.

You cannot claim a deduction for the cost of using your car to travel between your home and work:

- for a normal trip between home and work – this is a private expense even if you do small tasks on your way to or from work such as picking up your work's mail, or
- just because
 - the travel is outside normal employment hours
 - you are on call, or
 - there is no public transport available.

Motor vehicle provided by your employer or any other person

You cannot claim a deduction for car expenses if your employer or any other person provides a car for you and you do not pay for any of the

running costs.

You cannot claim a deduction for expenses, even work-related expenses, that you incur to operate a car that:

- your employer provides, and
- you or your relatives use privately at any time.

Such expenses form part of the valuation of the car for fringe benefits tax purposes.

Travel expenses

Did you have travel expenses relating to your work as an employee?

At item **D2** you can claim the work-related cost of:

- using vehicles other than cars
- parking fees
- tolls
- taxis
- short-term car hire.

You cannot claim costs met by your employer or costs that are reimbursed, see [Reimbursements](#).

Include the cost of travel for self-education at item **D4** on your tax return, see [Self-education expenses](#).

See **question D2** in *Individual tax return instructions* for rules relating to travel expenses and what evidence you need to be able to claim these expenses. However, it is important to note the following:

- If you travel in the course of your work and take a relative with you, you can claim a deduction only for your own expenses.
- If you are claiming travel expenses and you receive a travel allowance from your employer, you must show the allowance at item 2 on your tax return. For more information, see **Taxation Determination TD 2014/19 - Income tax: what are the reasonable travel and overtime meal allowance expense amounts for the 2014-15 income year?**

- We issue a new determination each income year. Read the above together with **Taxation Ruling TR 2004/6 – Income tax: substantiation exception for reasonable travel and overtime meal allowance expenses**
- You cannot claim the cost of meals incurred during a normal working day that does not involve an overnight stay, even if you receive a travel allowance.

Clothing expenses

Did you have any uniform, occupation-specific clothing, protective clothing, laundry or dry-cleaning expenses that relate to your work as an employee?

Claim work-related clothing expenses at item D3 on your tax return.

You cannot claim a deduction for the cost of purchasing or cleaning a plain uniform or conventional clothing worn at work, even if your employer tells you to wear them, as it is a private expense. You cannot claim your expenditure on:

- sports clothes (for example, tracksuits, shorts, T-shirts) and running or sports shoes (unless you are a physical training instructor or a member of a special combat squad who derive their income by performing a range of regular strenuous physical activity)
- clothing worn for medical reasons (for example, support stockings)
- conventional clothing that is damaged at work
- everyday footwear (for example, dress or casual shoes).

If you received an allowance from your employer for clothing, uniforms, laundry or dry-cleaning, show the amount at item **2** on your tax return. You cannot automatically claim a deduction just because you received a clothing, uniform, laundry or dry-cleaning allowance from your employer.

You cannot claim costs met by your employer or costs that are reimbursed, see [Reimbursements](#).

You can claim a deduction for the cost of buying, hiring, repairing and cleaning certain work-related uniforms or protective clothing.

Compulsory uniforms

A compulsory uniform is a set of clothing that, worn together, identifies you as an employee of an organisation.

You can claim a deduction for the cost of buying, repairing and cleaning a compulsory uniform such as a military uniform, when it is compulsory for you to wear the uniform while at work, due to a strictly enforced policy.

We consider that a military uniform includes items such as military white, blue or khaki shirts with rank or other embellishments; standard matching trousers; regulation jumpers and jackets; official mess uniform; hats or caps with rank or other embellishments; service dress shoes, handbags and clutch bags, socks and stockings; and camouflage shirt and trousers. However, it does not include items or accessories of a conventional nature, for example, underwear, ordinary fashion shoes, hair accessories or T-shirts.

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 the wearing of it, you can claim a deduction for the cost of the clothing only if the design of the clothing is registered. If you wear a non-compulsory uniform or corporate wardrobe, you cannot claim for stockings, socks or shoes as these items cannot 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 is clothing that you wear to protect yourself from the risk of illness or injury posed by your income earning activities or the environment in which you are required to carry them out, for example, steel-capped boots, wet weather gear, safety coloured vests or sun protection clothing.

You can claim a deduction for the cost of buying, hiring, replacing or maintaining protective clothing. You can also claim a deduction for the cost of clothing that you use at work to protect your ordinary clothes from soiling or damage, for example, overalls. For more information, see **Taxation Ruling TR 2003/16 – Income tax: deductibility of protective items**.

Laundry and dry-cleaning

You can claim a deduction for the cost of laundering and dry-cleaning work clothes that are eligible according to the relevant category described on this page (compulsory uniforms, single items of compulsory clothing, non-compulsory uniforms or corporate wardrobe, and protective clothing). For example, you can claim a deduction for cleaning a uniform that your employer provides and that you must wear at work.

You can claim laundry expenses for washing, drying or ironing such work clothes, including laundromat expenses. If your claim for laundry expenses is \$150 or less, you do not need written evidence, but you must use a reasonable basis on which to work out your claim.

If you claim a deduction for laundry expenses that is more than \$150 and your total claim for work-related expenses (other than car, meal allowance, award transport allowance and travel allowance expenses) exceeds \$300, you need written evidence for the total claim. You can claim the cost of dry-cleaning work clothes if you have kept written evidence to substantiate your claim. You do not need written evidence if your total claim for work-related expenses is \$300 or less.

Self-education expenses

Did you have self-education expenses relating to your work as an employee?

Self-education expenses are expenses related to a prescribed course of education provided by a school, college, university or other place of education. The course must be undertaken to gain a formal qualification for use in carrying on a profession, business or trade or in the course of employment. You can claim a deduction for the cost of self-education if there is a direct connection between your self-education and your work activities at the time the expense was incurred.

Claim self-education expenses at item **D4** on your tax return.

Claim at item **D5** the costs you incur in attending seminars, conferences, education workshops and training courses that are sufficiently connected to your work activities, see [Other expenses](#).

Self-education expenses are not deductible if your study is designed to get you:

- a job
- a new job, or
- income from a new income-earning activity.

For example, Joan is an accounts clerk in the Army Ordnance Corps and studying for an accounting diploma at university. She can claim a deduction for the cost of this course because it is related to her current job and the study will enhance her promotion prospects.

Self-education expenses can include:

- textbooks expenses
- stationery expenses
- student union fees
- student services and amenities fees
- course fees
- certain travel expenses
- the decline in value of equipment to the extent you use it for self-education purposes (see [Allowances](#)).

You cannot claim costs met by your employer or costs that are reimbursed, see [Reimbursements](#).

In certain circumstances you may have to reduce your deduction for self-education expenses by \$250. However, you may have other types of expenses (some of which are not deductible) that can be offset against the \$250 before you have to reduce the amount you can claim.

See **question D4** in *Individual tax return instructions* for more information on self-education expenses.

Work it out

For help with working out your self-education expenses, see our [Self-education expenses calculator](#)

Other expenses

Did you have other expenses relating to your work as an employee?

For examples of other expenses which you may be able to claim a tax deduction for, choose your occupation from the list below:

- Airline employees
- Australian Defence Force members
- Cleaners
- Factory workers
- Hairdressers
- Hospitality industry employees
- Journalists
- Lawyers
- Performing artists
- Shop assistants

Remember

- Make sure you include all your income on your tax return. Include benefits you received from the government, income from a second job and interest you received from a bank, building society or credit union.
- Sign your tax return. It is your responsibility to make sure your tax return is correct even if you use a registered tax agent.
- Keep all the records you need to prove your deduction claims. **Keeping your tax records** provides information on the type of records that you should keep and how long you need to keep them.
- Ask for help if you need it, from your registered tax agent or phone us.

More information

Website

- For general tax information, search this site.
- For comprehensive information about deductions, go to **Deductions** you can claim.

Publications

Publications referred to in this guide are:

- Guide to depreciating assets 2015 (NAT 1996)
- Law Administration Practice Statement PS LA 2001/6 – Home office expenses: diaries of use and calculation of home office expenses
- Taxation Determination TD 2014/19 - Income tax: what are the reasonable travel and overtime meal allowance expense amounts for the 2014-15 income year?
- Taxation Ruling TR 93/30 - Income tax: deductions for home office expenses
- Taxation Ruling TR 95/17 - Income tax: employee work-related deductions of employees of the Australian Defence Force
- Taxation Ruling TR 95/9 - Income tax: employee lawyers - allowances, reimbursements and work-related deductions
- Taxation Ruling TR 95/19 - Income tax: airline industry employees - allowances, reimbursements and work-related deductions
- Taxation Ruling TR 98/14 - Income tax: employee journalists - allowances, reimbursements and work-related deductions
- Taxation Ruling TR 95/16 - income tax: employee hairdressers - allowances, reimbursements and work-related deductions
- Taxation Ruling TR 95/11 - Income tax: hospitality industry employees - allowances, reimbursements and work-related deductions
- Taxation Ruling TR 95/20 - Income tax: employee performing artists - allowances, reimbursements and work-related expenses

- Taxation Ruling TR 95/10 - Income tax: employee shop assistants - allowances, reimbursements and work-related deductions
- Taxation Ruling TR 95/8 - income tax: employee cleaners - allowances, reimbursements and work-related deductions
- Taxation Ruling TR 95/12 - Income tax: employee factory workers - allowances, reimbursements and work-related deductions
- Taxation Ruling TR 2003/16 - Income tax: deductibility of protective items
- Taxation Ruling TR 2004/6 - Income tax: substantiation exception for reasonable travel and overtime meal allowance expenses
- Taxpayers' charter – what you need to know.

To get copies of publications, taxation rulings, practice statements and forms referred to in this guide:

- go to ato.gov.au/publications
- phone **1300 720 092**


Phone

We can offer a more personalised service if you provide your tax file number (TFN).

- **Individual 13 28 61**
Individual income tax and general personal tax enquiries, including capital gains tax
- **Superannuation 13 10 20**

Other services

If you do not speak English well and want to talk to a tax officer, phone the Translating and Interpreting Service (TIS) on **13 14 50** for help with your call.

If you are deaf or have a hearing or speech impairment, contact us through the National Relay Service (NRS). For more information, go to relayservice.gov.au 

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How self-assessment affects you

Self-assessment means we use the information you give on your tax return and any related schedules and forms to work out your refund or tax liability. We do not take any responsibility for checking the accuracy of the details you provide, although our system automatically checks the arithmetic.

Although we do not check the accuracy of your tax return at the time of processing, at a later date we may examine the details more thoroughly by reviewing specific parts, or by conducting an audit of your tax affairs. We also have a number of audit programs that continually check for missing, inaccurate or incomplete information.

What are your responsibilities?

It is your responsibility to lodge a tax return that is signed, complete and correct. Even if someone else, including a tax agent, helps you to prepare your tax return and any related schedules, you are still legally responsible for the accuracy of your information.

What if you lodge an incorrect tax return?

If you become aware that your tax return is incorrect, you must contact us straight away.

Initiatives to complement self-assessment

There are a number of systems and entitlements that complement self-assessment, including:

- the private ruling system (see below)

- the amendment system (if you find you have left something out of your tax return)
- your entitlement to interest on early payment or over-payment of a tax debt.

For more information, see [Self-assessment and the taxpayer](#).

Do you need to ask for a private ruling?

If you are uncertain about how a tax law applies to your personal tax affairs, you can ask for a private ruling. To do this, complete the [Private ruling application form \(NAT 74957\)](#), or contact us.

Always lodge your tax return by the due date regardless, even if you:

- are waiting for a private ruling
- might need to amend your tax return once you have received the private ruling.

We publish all private rulings on the [Legal Database](#). Before we do, we remove all information that could identify you.

QC 44932

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.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

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