

2020

# Tax Time Toolkit

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## Government workers



**Australian Government**  
**Australian Taxation Office**

# Helpful occupation guides and information for tax time

We encourage you to share this information with your staff, clients, members and networks.

The following pages contain practical and tailored information to help government employees understand what they can and can't claim in their tax return.

You'll find tips as well as 'ready to use' messages you can adapt for your own communication channels.

## Occupation guides:

- [Australian Defence Force](#)
- [Public servant](#)

## Common claims:

- [Self-education expenses](#)
- [Working from home](#)
- [Gifts and donations](#)

## Ready-to-use messages:

- [Social media posts](#)
- [Article](#)

# If you work for the Australian Defence Force 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 ATO app myDeductions tool to keep track of your expenses and receipts throughout the year.

## Car expenses



- ✓ **You can claim** a deduction when you:
  - drive between separate jobs on the same day
  - drive to and from an alternate workplace for the same employer on the same day – eg if you are required to travel from your normal Army base to another military base to attend a fitness assessment.
- ✗ **You generally can't claim** the cost 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 – eg a military exercise held over the weekend.

There are limited circumstances where you can claim the cost of trips between home and work, such as where you carry bulky tools or equipment for work – eg if you are required to take your field equipment pack from your base to home (and back) to prepare for an overseas deployment. The cost of these trips is deductible only if:

- your employer requires you to transport the equipment for work
- the equipment was essential to earning your income
- there was no secure area to store the equipment at the work location, and
- the equipment is bulky – at least 20kg or cumbersome to transport.

If you claim car expenses, you need to keep a logbook to determine the work-related percentage, or be able to demonstrate to the ATO a reasonable calculation if you use the cents per kilometre method to claim.

## Fitness expenses



- ✓ **You can only claim** the cost of fitness expenses if your job requires you to maintain a fitness well above the ADF general standard, eg if you are a physical training instructor with the Australian Special Forces.
- ✗ **You can't claim** a deduction for the cost of gym fees to maintain your personal fitness.

## Home office expenses



- ✓ **You can claim** a percentage of the running costs of your home office if you have to work from home, including depreciation of office equipment, work-related phone calls and internet access charges, and electricity for heating, cooling and lighting costs.
- If you are required to purchase equipment for your work and it costs more than \$300, you can claim a deduction for this cost spread over a number of years (depreciation).
- If you keep a diary of your home office usage, you can calculate your claim quickly using the ATO's home office expenses calculator.
- ✗ **You generally can't claim** the cost of rates, mortgage interest, rent and insurance.

## Self-education expenses



- ✓ **You can claim** a deduction for self-education expenses if your course relates directly to your current job or to the next likely promotion as planned by the ADF.
- ✗ **You can't claim** a deduction if your study or seminar is only related in a general way or is designed to help you get a new job, eg to enable you to move to a job outside of the ADF.

## Other common deductible work-related expenses



- ✓ As long as the expense relates to your employment, **you can claim** a deduction for the work-related portion of the cost of:
  - technical or professional publications
  - compulsory mess subscriptions
  - union and professional association fees.
- ✗ **You can't claim** a deduction for the cost of:
  - attending social functions, even though these may be compulsory
  - haircuts, grooming, weight loss programs or supplies, even though the ADF has specific regulations.



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



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# If you're a Public servant 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 ATO app myDeductions tool to keep track of your expenses and receipts throughout the year.

## Car expenses



- ✓ **You can claim** a deduction when you:
  - drive between separate jobs on the same day – eg from your public service job to a second job as a musician
  - drive to and from an alternate workplace for the same employer on the same day – eg travelling to a different office to attend a meeting for the same employer.
- ✗ **You generally can't claim** the cost 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 – eg having to work late to speak to a colleague in a different time zone.

There are limited circumstances where you can claim the cost of trips between home and work, such as where you carry bulky tools or equipment for work – eg large heavy filing boxes full of records you need for a particular meeting. The cost of these trips is deductible only if:

- your employer requires you to transport the equipment for work
- the equipment was essential to earning your income
- there was no secure area to store the equipment at the work location, and
- the equipment is bulky – at least 20kg or cumbersome to transport.

If you claim car expenses, you need to keep a logbook to determine the work-related percentage, or be able to demonstrate to the ATO a reasonable calculation if you use the cents per kilometre method to claim.

## Home office expenses



- ✓ **You can claim** a percentage of the running costs of your home office if you have to work from home, including depreciation of office equipment, work-related phone calls and internet access charges, and electricity for heating, cooling and lighting costs.
- ✗ **You generally can't claim** the cost of rates, mortgage interest, rent and insurance.

## Clothing expenses



- ✓ **You can claim** a deduction for the cost of buying, hiring, mending or cleaning certain uniforms that are unique and distinctive to your job – eg clothing items you're required to wear which have a logo that is unique and distinctive to your employer – or protective clothing that your employer requires you to wear.
- ✗ **You can't claim** a deduction for the cost of buying or cleaning plain clothing worn at work, even if your employer tells you to wear it, and even if you only wear it for work – eg a business suit.

## Self-education expenses



- ✓ **You can claim** a deduction for self-education expenses if your course relates directly to your current job, eg human resource training for a manager.
- ✗ **You can't claim** a deduction if your study is only related in a general way or is designed to help get you a new job, eg a health and wellbeing course.

## Other common deductible work-related expenses



- ✓ As long as the expense relates to your employment, **you can claim** a deduction for the work-related portion of the cost of:
  - seminars and conferences
  - technical or professional publications
  - union and professional association fee



This is a general summary only.  
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# Self-education expenses

It pays to learn what you can claim at tax time

## When can you claim?

Self-education expenses are deductible when the course you undertake has a sufficient connection:

- ✔ to your current employment and maintains or improves the specific skills or knowledge you require in your current employment, or
- ✔ results in – or is likely to result in – an increase in your income from your current employment.

## When can't you claim?

You cannot claim a deduction for self-education for a course that:

- ✘ relates only in a general way to your current employment or profession, or
- ✘ will enable you to get new employment – such as moving from employment as a nurse to employment as a doctor.



## Course expenses

If your self-education is eligible, you may be able to claim a deduction for your expenses directly related to undertaking the course.

### General expenses

Some general expenses you may be able to claim include:

- ✔ tuition fees, if paid directly by you
- ✔ computer consumables (eg printer cartridges)
- ✔ textbooks
- ✔ trade, professional or academic journals
- ✔ stationery
- ✔ home office running costs
- ✔ internet usage (excluding connection fees)
- ✔ phone calls
- ✔ postage
- ✔ student services and amenities fees
- ✔ travel costs, including car expenses, between home and the place of education and between your workplace and the place of education
- ✔ fees payable on some Higher Education Loan Program (HELP) loans, but not the loan itself.

You can only claim a deduction for the portion of these expenses that is directly related to your eligible self-education.

### Depreciating assets

You may be able to claim a deduction for depreciating assets – assets that lose value over time such as computers and printers – that you have bought and use to study.

Depreciating assets that cost more than \$300 are usually claimed over the life of the asset (decline in value). However, if you have a depreciating asset that cost \$300 or less – you can get a deduction for the full cost of the asset to the extent that you used it for study in the tax year you bought it. (see *Apportioning expenses*).

### Car expenses

If you are undertaking a course that has a direct connection to your current employment, you can also claim the cost of daily travel from your:

- ✔ home to your place of education and back
- ✔ work to your place of education and back.



However, you cannot claim the cost of the last stage of your travel from:

- ✘ home to your place of education, and then to work
- ✘ work to your place of education, and then to your home.

You **cannot** claim the following expenses related to your self-education:

- ✘ tuition fees paid by someone else, including your employer, or for which you were reimbursed
- ✘ repayments of loans you obtained under the Higher Education Loan Program (HELP) loans, Student Financial Supplement Scheme (SFSS), the Student Startup Loan (SSL) or the Trade Support Loans Program (TSL)
- ✘ home office occupancy expenses – such as rent, mortgage interest, rates
- ✘ accommodation and meals – except if you travel away from home for a short period for study, such as to attend residential school.

## Apportioning expenses

Some expenses need to be apportioned between private purposes and use for self-education. Travel costs and depreciating assets are good examples of expenses that may need to be apportioned.

### Use of equipment

If you use equipment such as computers and printers both privately and for study, you must apportion the expense based on the percentage you use the equipment for study.

For example, if a computer is used 50% of the time for study and 50% for private purposes, you can only claim half of the cost of the computer as a deduction. (For more information on asset expenses, see the *Depreciating assets* section on the previous page).

## Recording your expenses

Use our self-education expense calculator ([ato.gov.au/selfeducationcalc](http://ato.gov.au/selfeducationcalc)) to get an estimate of your self-education deductions. It also provides information on your claim eligibility.

Records you need to keep may include receipts or other documents showing expenses such as:

- ✓ course fees
- ✓ textbooks
- ✓ stationery
- ✓ decline in value of, and repairs to, depreciating assets.

You must also keep receipts, documents or diary entries for travel expenses.

The ATO app's myDeductions tool ([ato.gov.au/myDeductions](http://ato.gov.au/myDeductions)) can be used to record your self-education expenses.



## Calculating your expenses

In certain circumstances, you may have to reduce your self-education expenses by up to \$250 to work out your deduction.

The Self-education expenses calculator ([ato.gov.au/selfeducationcalc](http://ato.gov.au/selfeducationcalc)) on the ATO website works this out for you.





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# Employees working from home

## The other kind of housework

If you're an employee who works from home, you may be able to claim a deduction for expenses relating to that work.

### Running expenses

Employees who work from home can claim the work-related proportion of their **running expenses**. These expenses are the cost of using equipment and utilities at your home for work and include:

- ✓ lighting
- ✓ heating and cooling
- ✓ cleaning
- ✓ the decline in value of equipment, furniture and furnishings in the area you use for work
- ✓ the cost of repairs to this equipment, furniture and furnishings, and
- ✓ other running expenses, including computer consumables (such as printer paper, ink) and stationery.

### Occupancy expenses

As an employee, generally you can't claim a deduction for occupancy expenses, which includes rent, mortgage interest, property insurance, land taxes and rates.

In most cases, if you work from home as an employee and claim working from home expenses, it will not have capital gains tax (CGT) implications for your home. However, if you are running a business from home or claiming occupancy expenses (like rent, mortgage interest or rates), then CGT may apply.

If you do claim occupancy expenses, you don't get the full main residence CGT exemption, although you may be entitled to a partial exemption.

### Phone and internet expenses

If you use your phone or internet for work, you can claim a deduction for the work-related percentage of your expenses if you paid for these costs and have records to support your claims.

You need to keep records for a four-week representative period in each income year to claim a deduction of more than \$50. These records include phone and internet bills (paper or electronic) from which you can identify work-related calls and internet usage. Diary entries and any other evidence which shows you worked from home and made work-related phone calls will also help to demonstrate that you are entitled to a deduction.

### Calculating running expenses

There are two ways to calculate your running expenses:

- ✓ you can claim a fixed rate of 52 cents per hour, or
- ✓ you can calculate your actual expenses.

#### Fixed rate

You can use a fixed rate of 52 cents per hour for each hour that you work from home (instead of recording all of your actual expenses for heating, cooling, lighting, cleaning and the decline in value of furniture).

To claim using this method keep records of the actual hours you worked at home during the income year, or keep a diary for a representative four-week period to show your usual pattern of working at home.

You can then apply this amount of use across the remainder of the year to determine your full claim.

You need to separately work out your expenses for:

- phone and internet usage
- computer consumables and stationery
- decline in value on your computer.

#### Actual expenses

To calculate actual expenses if you **have a dedicated work area**, you:

- ✓ record the number of actual hours you worked from home during the income year
- ✓ work out the cost of your cleaning expenses by adding together your receipts and multiply it by the floor area of your dedicated work area
- ✓ work out the cost of your heating, cooling and lighting by working out the following:
  - the cost per unit of power used (using your utility bill)
  - the average units used per hour – this is the power consumption per kilowatt hour for each appliance, equipment or light used
  - the total hours used for work-related purposes while you were working from home.

You must also take into account the use of this area by other members of your household, if applicable, and apportion your expenses accordingly.

- ✓ To calculate your deduction for the decline in value of equipment, furniture and furnishings that cost more than \$300, the item must be depreciated and apportioned to reflect your work-related use. The ATO has a depreciation tool to help you work this out, at [ato.gov.au/depreciationtool](https://ato.gov.au/depreciationtool)

If you **did not have a dedicated work area**, the additional expense for lighting, heating, cooling and electricity should be calculated by determining the actual cost of running each unit you used per hour and multiplying that by the hours you spent working at home. Generally, the amount of additional expense will be small. This will be particularly so where other people are using the area at the same time you are working there. In those circumstances there will be no additional cost for lighting, heating or cooling (see the scenario below).



## Calculating phone and internet expenses

There are two ways to calculate your phone and internet expenses:

- ✔ you can claim up to \$50 with limited documentation, or
- ✔ you can calculate your actual expenses.

### Claiming up to \$50

If your work use is incidental and you are not claiming a deduction of more than \$50 in total, you may make a claim based on the following, without having to analyse your bills:

- ✔ \$0.25 for work calls made from your landline
- ✔ \$0.75 for work calls made from your mobile
- ✔ \$0.10 for text messages sent from your mobile.

### Actual expenses

If you have a phone or internet plan where you receive an itemised bill, you need to determine your percentage of work use over a four-week representative period which can then be applied to the full year.

You need to work out the percentage using a reasonable basis. This could include:

- ✔ the number of work calls made as a percentage of total calls
- ✔ the amount of time spent on work calls as a percentage of your total calls
- ✔ the amount of data downloaded for work purposes as a percentage of your

total downloads.

If you have a bundled plan, you need to:

- apportion the cost of the plan between the services provided, and
- identify your work use for each service over a four-week representative period during the income year, which can then be applied to the whole year.

The same method should be used for non-itemised plans.

For more information, see

[ato.gov.au/phoneandinternet](http://ato.gov.au/phoneandinternet)

## Common scenarios

### Julia - A dedicated room for work

Julia is a lawyer who works as an employee for a large city firm. Julia's employer has agreed that she can work from home two days per week. She has a home office that she works in on the days she does not travel to the city. Julia and members of her family use the home office for private purposes, including personal use of the computer and to store household items.

- ✔ Julia can claim running costs, but only the portion of the expenses that relate to her work-related use of the home office. In working out her work-related use of the home office and the computer, Julia must take into account not only her own private use but also her family's use of the home office and the computer.

### James - no set work area

James is a high school teacher. From time to time, James works in the lounge room at home – for example, to mark tests and prepare end of term reports. He does not have a room set aside exclusively for work.

- ✔ James can only claim running costs associated with the work he does at home – such as the work-related proportion of the decline in value of the laptop he uses to prepare the reports and the additional cost of lighting, heating and cooling his lounge room. He is also entitled to claim the cost of electricity to power his laptop for the hours he spends working at home.

- ✘ If James' family was in the lounge room watching television at the same time that he was in there marking tests and preparing end of term reports he could not claim the additional cost of lighting, heating and cooling his lounge room. James can still claim the cost of electricity required to power his laptop for the time he spent working and the work-related proportion of the decline in value of the laptop he uses to prepare reports.

### Natalie - chooses to work from home

Natalie is a web developer for a large company and usually works from their office in her city. While Natalie is not required to work from home, her employer supports it. Natalie is not provided with the work equipment to use at home, so she uses her own laptop, internet connection, mobile phone and thumb drive. She is not reimbursed by her employer for these costs.

- ✔ Natalie is entitled to claim running costs including the work-related proportion of the decline in value on her laptop, her office desk and chair, and a percentage of lighting, heating and cooling that reflects her work-related use of the office, as well as the cost of using her own internet connection and mobile phone for work. Natalie needs to apportion these expenses to take her private use into account.

## Records you must keep

You must keep records, such as:

- ✔ a diary for a representative four-week period to show your usual pattern of working at home
- ✔ receipts or other written evidence, including for depreciating assets you have purchased
- ✔ diary entries to record your small expenses (\$10 or less) totalling no more than \$200, or expenses you cannot get any kind of evidence for
- ✔ itemised phone accounts from which you can identify work-related calls, or other records, such as diary entries.

❗ If you use the four-week representative period to calculate your expenses over the income year and your usual pattern of work changes throughout the year, you will need to keep separate records to show your expenses.

For example, if you normally work from home one day a week and due to an emergency situation such as COVID-19, bushfire or drought you're required to work from home for an extended period, you need to keep records of both:

- the actual hours you've worked from home due to the emergency situation
- your usual working from home arrangements.

## This is a general summary only.

For more information, speak with your tax agent or visit [ato.gov.au/workingfromhome](http://ato.gov.au/workingfromhome)



# Gifts and donations

## When can I claim?

- ✔ You can claim a deduction for a donation you make to an organisation if the donation meets four conditions:
  - You make it to a deductible gift recipient (DGR)
  - It must truly be a donation. A donation is a voluntary transfer of money or property where you receive no material benefit or advantage\*
  - It must be money or property, which includes financial assets such as shares
  - You have a record of the donation such as a receipt.

\* If you receive a material benefit – that is if the donor receives something which has a monetary value from the DGR in return for their donation – it is considered a contribution, and extra conditions apply. Visit [ato.gov.au/gift-or-contribution](https://ato.gov.au/gift-or-contribution) for more information.



## What is a DGR?

A deductible gift recipient (DGR) is an organisation or fund that can receive tax deductible gifts.

Not all charities are DGRs. For example, in recent times there has been an influx of crowdfunding campaigns. Many of these crowdfunding websites are not run by DGRs.

You can check whether your donation was made to an endorsed DGR on the Australian Business Register website [abn.business.gov.au/DgrListing.aspx](https://abn.business.gov.au/DgrListing.aspx).



## What records do I need?

- ✔ You should keep records of all tax deductible gifts and contributions you make.

When you make a donation, the DGR will usually issue you with a receipt – but they don't have to. If this is the case, in some circumstances, you can still claim a tax deduction by using other records, such as bank statements.

If a DGR issues a receipt for a deductible gift, the receipt must state:

- the name of the fund, authority or institution to which the donation has been made
- the DGR's ABN (if any – some DGRs listed by name might not have an ABN)
- that the receipt is for a gift.

If you give through a workplace giving program your payment summary or a written record from your employer is sufficient evidence.

## Bucket donations

- ✔ If you made one or more donations of \$2 or more to bucket collections conducted by an approved organisation for natural disaster victims, you can claim a tax deduction of up to \$10 for the total of those contributions without a receipt. Further information is available on the **ATO website**.



## When you can and can't claim a deduction

- ✔ You may be able to claim a deduction when:
  - the gift or donation is \$2 or more and you have a record of the donation
  - you donate property or shares, however special rules apply (see [ato.gov.au/gifts-and-fundraising-rules](https://ato.gov.au/gifts-and-fundraising-rules))
  - there are special circumstances under the Heritage and Cultural gift programs where donations can also be deductible (see [ato.gov.au/cultural-gifts](https://ato.gov.au/cultural-gifts) for more detail).

Token items used to promote a DGR can be claimed as a deduction, such as label pins, wristbands and stickers.

- ✘ You can't claim gifts or donations as a deduction when it is for:
  - the purchase of raffle or art union tickets, such as an RSL Art Union prize home
  - the purchase of fundraising items that have an advertised price and can be used, such as chocolates, mugs, keyrings, caps or toys
  - the cost of attending fundraising dinners, even if the cost exceeds the value of the dinner
  - payments to school building funds made, for example, as an alternative to an increase in school fees
  - gifts to families and friends regardless of the reason
  - donations made under a salary sacrifice arrangement
  - donations made under a will.

## Gifts and donations to political parties and independent candidates and members

In some circumstances, your gifts and donations to registered political parties and independent candidates may be claimed as a deduction.

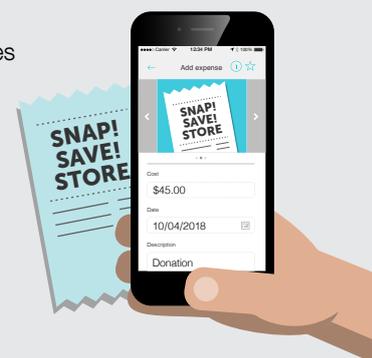
Your gift or donation must be \$2 or more and be money or property that you purchased during the 12 months before making the donation. This includes if you pay a membership subscription to a registered political party. You must also make the gift or donation as an individual, not in the course of carrying on a business, and it can't be a testamentary donation.

The most you can claim in an income year is:

- \$1,500 for contributions and gifts to political parties, and
- \$1,500 for contributions and gifts to independent candidates and members.

To claim a deduction you must keep a written record of your donation.

To find out who is registered, go to [ato.gov.au/political-gifts](https://ato.gov.au/political-gifts).



# Ready-to-use Tax Time messages

Below are a range of messages you can use (or adapt) for your own communication channels, such as websites, intranets, newsletters and social media platforms.

## Suggested social media posts for Facebook, Twitter and LinkedIn profiles

Tax tip: If you work from home, you may be able to claim a portion of your home office expenses on your tax return! This could include deductions for:

- office equipment
- work-related phone calls
- internet access charges
- lighting, heating and cooling
- office furniture repairs
- cleaning your home office

Check what records you need and how to calculate your claim at [ato.gov.au/office20](https://ato.gov.au/office20)



Work in the public service? While we can't help you with that co-worker who keeps microwaving fish, we can help you figure out the deductions you can claim this tax time! Check out the ATO's latest summary of what you can and can't claim at tax time.

Visit [ato.gov.au/office20](https://ato.gov.au/office20)

# Getting it right this tax time

**The ATO will be focusing on work-related expenses this tax time to help taxpayers get their returns right.**

**When you want to find out what public servants can and can't claim at tax time, it's best to hear it from the source itself: the Australian Taxation Office.**

Follow these three golden rules to make sure you get your work-related expense claims right:

- 1. You must have spent the money yourself and weren't reimbursed.**
- 2. The claim must be directly related to earning your income.**
- 3. You need a record to prove it.**

Before lodging your tax return, it's important to know what you're eligible to claim and make sure you don't claim more than you're entitled to.

The ATO said many taxpayers don't have a good understanding of what deductions they can claim, and believe they can claim for items which they in fact can't. For example, some taxpayers think they can make a standard claim of \$300 without having spent the money. While you don't need receipts for claims up to \$300, you must have actually spent the money, and be able to show how you worked out your deduction if asked.

Other common mistakes people make include claiming self-education expenses when the study doesn't have a direct connection to current employment. For example, when the study is very general in nature or it is designed to open up a new income earning activity. You can only claim a deduction for self-education expenses if your course relates directly to your current job.

## Getting prepared for next year

If you spend time trying to find your receipts, or if these receipts are now faded and unreadable, download and use the myDeductions tool in the ATO app to track your deductions. myDeductions makes it easier and more convenient to keep your records in one place.

You can record expenses and deductions, vehicle trips and take photos of your invoices and receipts. Come tax time you can email your data to your tax agent or upload your data to prefill your tax return. Simply:

- download the ATO app to your smart device
- select the myDeductions icon
- step through and choose whether you'd like to use the tool as an individual (generally or as an employee), as a sole trader (business) or both.

**For more information on what you can and can't claim, check out the handy ATO guide at [ato.gov.au/office20](https://ato.gov.au/office20)**