

# ARROWHEAD TAX ACCOUNTANTS

## Education Series

### Tax Deductions for Salary and Wage Earners

Generally, as a rule, if you are regarded as an employee, you will be deemed to be a salary and wage earner. As a result, the expenses you incurred which give rise to tax deductions associated with earning your income must have a direct link to your income producing activities. The expenses cannot be incidental or incurred as a matter of convenience.

The Australian Tax Office has a strict requirement for the taxpayer to provide full substantiation of tax deduction claims (receipts, bank statement entries, diaries, loan documents and logbooks etc.). There are no exceptions to this rule as a taxpayer must support his claim in the event of a review or audit by the Australian Taxation Office.

As a general guide a list of work-related expenses include:

- Motor vehicle logbooks or a diary of work-related motor vehicle travel under 5000 km.
- Donations to charities (unless you get a ticket to win something in return, those ones don't count)
- Fee charged for previous year's tax return.
- Income protection insurance
- Replacement of Uniforms and Protective Clothing
- Laundry
- Any Other Work-Related Expenses – these can be assessed at the time of your appointment, so it is better to have the receipt than not.
- Any extra superannuation contributions.
- Accommodation and meals cost you've incurred from working away from home.
- Home office running expenses.
- Work-related education expenses.

# ARROWHEAD TAX ACCOUNTANTS

## Education Series

- Rental property expenses – rates, body corporate, agent fees, interest on your loan, repair and maintenance, water rates, depreciation schedule.
- Investment expenses.
- Records of sales and purchases of shares, businesses, or property.

*Disclaimer: The contents of this paper are for general information only. They are not intended as professional advice, for this you should contact a suitably qualified accountant or other professional. The tax law and ATO position on these matters may be subject to both prospective and retrospective changes.*

*© Arrowhead Accounting Pty Ltd trading as Arrowhead Tax Accountants 2023. [5 April 2023]. Except as permitted by the copyright law applicable to you, you may not reproduce or communicate any of the content on this website, including files downloadable from this website, without the permission of the copyright owner. The Australian Copyright Act allows certain uses of content from the internet without the copyright owner's permission. This includes uses by educational institutions and by Commonwealth and State governments, provided fair compensation is paid. For more information, see [www.copyright.com.au](http://www.copyright.com.au) and [www.copyright.org.au](http://www.copyright.org.au). The owners of copyright in the content on this website may receive compensation for the use of their content by educational institutions and governments, including from licensing schemes managed by Copyright Agency. We may change these terms of use from time to time. Check before re-using any content from this website.*