



Australian Government
Australian Taxation Office

Mechanical, automotive and electrical tradespersons - deductions you may be able to claim

- <http://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Deductions-for-specific-industries-and-occupations/Mechanical,-automotive-and-electrical-tradespersons---deductions-you-may-be-able-to-claim/>
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Deductions for mechanical, automotive and electrical tradespersons - claiming work-related expenses

This summary outlines some of the deductions you can and cannot claim as a mechanical, automotive or electrical tradesperson.

Car expenses

Home to work travel is only deductible in limited circumstances. Examples include where you:

- had to carry bulky equipment (heavy tools or machinery) that you used for work and could not leave at work, and
- were engaged in itinerant work.

Work-related expenses incurred in driving between work sites, making deliveries, undertaking client visits or site inspections, and driving errands while on duty (but not minor errands between home and work) are an allowable deduction.

Travel expenses

Special rules apply in relation to the travel records that you need to keep to substantiate your travel expenses.

If you are making a claim for travel expenses and you are away from home for six or more nights in a row, you need to keep a travel record unless:

- you received a travel allowance
- the claim is for travel in Australia, and
- the claim does not exceed the reasonable allowance amount.

Your travel record must show the dates, places, times, duration and nature of the work activities that you have undertaken. You may still be asked to show that the expenses claimed were actually incurred.

Clothing and laundry expenses

You can claim a deduction for the costs of acquiring protective clothing, and compulsory or registered uniforms required for your employment. Laundry expenses relating to such uniforms are deductible, but you may need receipts if your claim exceeds \$150.

You cannot claim a deduction for conventional clothing such as jeans, tracksuits, shorts, T-shirts and sports shoes. Additionally, you cannot claim a deduction for the cost of laundering or dry cleaning of your conventional clothing.

Decline in value

You can claim a deduction for the cost of purchasing tools or equipment (if \$300 or less) which you use for your work. If they cost more than \$300, you must depreciate the assets via the decline in value process.

You must also depreciate an item that costs \$300 or less if it forms part of a set or kit which is worth more than \$300 and you bought the set or kit in the same income year. For example, if Paul replaces one spanner worth \$150 in a set worth \$600 that he bought in the same income year, he will deduct the \$150 over the life of the asset rather than in one income year. The publication [Guide to depreciating assets](#) has more information.

Union and professional association fees

Union and professional association membership fees are deductible. However, worker entitlement fund contributions (for example, welfare fund contributions) and similar charges are generally not deductible.

Overtime meal expenses

You can claim a deduction for overtime meal expenses you incurred if you received an overtime meal allowance from your employer which was paid under an industrial award, law or agreement. Where you receive an overtime meal allowance that is not shown on your payment summary, you do not have to return the allowance as assessable income unless:

- you have not fully expended the allowance, or
- you want to claim a deduction for overtime meal expenses.

If you have spent more than the allowance and want to claim the amount spent, you need to keep receipts or other written evidence for the amount claimed if it is more than the reasonable amount. Reasonable amounts are listed in [TD 2012/17 <http://law.ato.gov.au/view.htm?DocID=TXD/TD201217/NAT/ATO/00001>](http://law.ato.gov.au/view.htm?DocID=TXD/TD201217/NAT/ATO/00001) – *Income tax: what are the reasonable travel and overtime meal allowance expense amounts for the 2012–13 income year?*

An amount for overtime meals that has been 'folded in' (for example, under a workplace agreement) as part of your normal salary or wage income, is not considered to be an overtime meal allowance.

Self-education expenses

You generally cannot claim a deduction for self-education expenses if the study is to enable you to get employment, to obtain new employment, to open up a new income-earning activity, or related to industry placement employment (that is, employment performed as an incident of study).

You need to ensure that there is sufficient connection between these expenses and your work activities at the time the expenses were incurred.

Example

David is studying mechanical engineering at TAFE. After his first year, he takes a part-time job in a machine plant. David's TAFE expenses are not allowable, as he incurred them in order to gain new employment. This restriction does not apply to apprentices – apprentices' self-education expenses are generally allowable.



Find out more

There is no specific taxation ruling for mechanical, automotive and electrical tradespersons, but the principles in Taxation Ruling TR 95/12 [<http://law.ato.gov.au/atolaw/view.htm?docid=TXR/TR9512/NAT/ATO/00001>](http://law.ato.gov.au/atolaw/view.htm?docid=TXR/TR9512/NAT/ATO/00001) *Income tax: employee factory workers – allowances, reimbursements and work-related deductions*, and Taxation Ruling TR 95/22 [<http://law.ato.gov.au/atolaw/view.htm?docid=TXR/TR9522/NAT/ATO/00001>](http://law.ato.gov.au/atolaw/view.htm?docid=TXR/TR9522/NAT/ATO/00001) *Income tax: employee building workers – allowances, reimbursements, long service payments, redundancy trust payments and work-related deductions* are relevant to your occupation.

For information on the records you need to keep for your work-related expenses, see Keeping your tax records.

The following documents contain more information about particular types of workrelated expenses:

- Work-related car expenses
- Work-related travel expenses
- Work-related clothing, laundry and dry-cleaning expenses
- Work-related self-education expenses
- Work-related expenses - decline in value
- Work-related expenses – publications
- Other work-related expenses
- TD 2012/17 [<http://atolaw/view.htm?docid=TXD/TD201217/NAT/ATO/00001>](http://atolaw/view.htm?docid=TXD/TD201217/NAT/ATO/00001) *Income tax: what are the reasonable travel and overtime meal allowance expense amounts for the 2012–13 income year?*

If you are uncertain about how this information applies to your personal situation, phone us on **13 28 61**.

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