



Australian Government
Australian Taxation Office

Plumber employees - claiming work-related expenses

- <http://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Deductions-for-specific-industries-and-occupations/Plumber-employees---claiming-work-related-expenses/>
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Plumber employees - claiming work-related expenses

About this guide

Contractors and employees have different tax and super obligations. In the plumbing industry, individual workers are either employees or contractors. This guide is for **employee** plumbers, including apprentices and trainees.

This guide helps you work out what work-related expenses you can claim a tax deduction for and the conditions you must meet before you claim your expenses.

It provides information about common work-related expenses, including:

- travel expenses, including motor vehicle types and methods for claiming
- tools and equipment
- self-education
- overtime meals
- phones, computers and laptops.

There may be other deductions you can claim that are not included in this guide. For a list of helpful resources, see [More information](#).



When you sign the declaration on your tax return, you are declaring that:

- everything you have told us is true
- you can support your claims with written evidence.

You are responsible for providing proof of your expenses, even if you use a registered tax agent to prepare your tax return.

When you can make a claim

- <http://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Deductions-for-specific-industries-and-occupations/Plumber-employees---claiming-work-related-expenses/?page=2>
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In most situations, you can claim deductions for work-related expenses if your claim meets the following conditions:

- you incurred the expense in doing your job
- the expense is not private (personal)
- you can show you incurred the expense by providing receipts or other written evidence.



If you are claiming a deduction for an expense that you incurred partly for work and partly for private purposes (such as mobile phone costs) you can only claim that portion of the expense that relates to your work use.

Reimbursements

- <http://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Deductions-for-specific-industries-and-occupations/Plumber-employees---claiming-work-related-expenses/?page=3>
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You cannot claim a deduction for expenses you incur if those expenses are reimbursed to you by your employer. You do not include reimbursements on your tax return.

Supporting your claims

- <http://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Deductions-for-specific-industries-and-occupations/Plumber-employees---claiming-work-related-expenses/?page=4>
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If your total claims for work-related expenses add up to **more** than \$300 - excluding claims for car, meal allowance, award transport payment allowance and travel allowance expenses - you must keep written evidence, such as receipts. You must keep written evidence for the full amount of your claim, not just the amount over the first \$300.

If the total amount you are claiming is \$300 or **less**, you do not need to keep receipts but you must be able to show how you worked out your claims.

Written evidence can be:

- a document from the supplier of the goods or services, showing the

- supplier's name
 - amount of the expense
 - nature of the goods or services - if this is not shown, you can write this on the document before you lodge your tax return
 - date you incurred the expense
 - date of the document
- a combination of documents containing this information.

If you use a combination of documents, they:

- do not need to show the date of the document
- must contain the date you incurred the expense.

Documents can include:

- bank and other financial institution statements
- credit card statements
- BPAY reference numbers, also called receipt or transaction numbers
- email receipts
- your *Pay as you go (PAYG) payment summary - individual non-business*, that may show amounts you can claim, such as your total union fees
- paper or electronic copies of documents - these must be true and clear reproductions of the originals.

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We recommend:

- when you store your written documentary evidence, you photocopy the original, as receipts for items (like fuel and oil) that are on thermal paper can fade and become unreadable when exposed to heat and sunlight
- when you store your records electronically you make a back-up copy, in case the original becomes inaccessible or unreadable - for example, if your hard drive is corrupted.



You need to keep your written evidence of your work-related expenses for five years from the due date for lodging your tax return. If you lodge your tax return after the due date, the five years start from the date you lodged your tax return.

For a depreciating asset, you must keep records for five years from the date of your last claim for decline in value (depreciation).

Motor vehicle and other transport expenses

- <http://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Deductions-for-specific-industries-and-occupations/Plumber-employees---claiming-work-related-expenses/?page=5>

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Any travel expenses you claim must directly relate to your work as an employee.

These expenses may include:

- transport expenses - for example, public transport fares, taxi fares and the running costs associated with using motor vehicles, motorcycles, bicycles
- the costs you actually incur when using a borrowed car, such as fuel, oil and repair costs
- bridge and road tolls
- parking fees.

Generally, the cost of normal trips between home and work is a private expense that you cannot claim a tax deduction for. However, as an employee, there are certain situations where you may be able to claim deductions for travel between your home and workplace.



You may have to show that you have reduced your claim to exclude any private portion of your trip.

Transporting bulky tools and equipment

- <http://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Deductions-for-specific-industries-and-occupations/Plumber-employees---claiming-work-related-expenses/?page=6>
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You can claim the cost of using your motor vehicle to travel between your home and work if all of the following apply:

- you have to carry bulky tools and equipment you need to use at work
- it is essential to transport the equipment to and from work and it is not done as a matter of convenience or personal choice
- there is no secure area for storing them at your workplace.

Example 1: Eligible to claim a deduction

Todd is a plumber working for a plumbing company specialising in roof and guttering and the installation of rainwater tanks. His employer does not supply a secure storage area at his workplace, so Todd must transport his tool caddie, drain cleaner, test pump and downpipes to and from work every day.

Todd can claim a deduction for the expenses he incurs to transport his tools and equipment between his home and work.

Example 2: Not eligible to claim

Anne-Marie is a third year plumber apprentice working on maintenance in a large processing plant where secure storage is available for her tools and equipment. She chooses to transport her toolbox to and from work every day, instead of leaving them in the secure storage provided.

Anne-Marie cannot claim a deduction for her transportation costs because:

- she transports her toolbox as a matter of convenience or personal choice
- there is a secure storage area provided at her workplace.

Travelling between workplaces

- <http://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Deductions-for-specific-industries-and-occupations/Plumber-employees---claiming-work-related-expenses/?page=7>
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You may be able to claim a deduction for work-related daily travel expenses, including the cost of travel:

- directly between two separate workplaces - for example, when you have a second job
- from your normal workplace to an alternative workplace, while you are still on duty, and back to your normal workplace or directly home - see Example 3 below.
- from your home to an alternative workplace, and then to your normal workplace or directly home - for example, if you travel to a client's premises to work there for the day.

Example 3: Claiming for travel between workplaces

Jamal is a plumber employed to connect new gas lines for residential and commercial premises. He arrives at his employer's factory each day and is assigned jobs in various locations.

The travel between home and the factory is travel to and from his normal work place. Because this is private travel Jamal cannot claim a deduction. However, he can claim a deduction for the cost of travel between the factory and the various jobs because he is travelling from his normal workplace to an alternative workplace and back to his normal workplace or home.

Shifting workplaces

- <http://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Deductions-for-specific-industries-and-occupations/Plumber-employees---claiming-work-related-expenses/?page=8>
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You can claim the cost of travelling between your home and work if you have shifting workplaces - that is, you regularly work at more than one location each day before returning home.

Example 4: Claiming for travel between home and shifting workplaces

Ramesh is a plumber's labourer working for a large construction company and is dispatched to several sites each day. Ramesh usually travels directly from home to a different site each day to start work.

Ramesh can claim a deduction for his motor vehicle expenses between his home and work as his duties require him to travel between sites on a regular basis and he does not travel to a normal workplace each day.



If you travel to and from a place of education because you are completing a work-related education course, you may be entitled to claim the travel costs as a self-education expense on your tax return at **D4 - Work-related self-education expenses**.



For more information about self-education expenses, see [Work-related self-education expenses](#).

Claiming motor vehicle and other transport expenses

- <http://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Deductions-for-specific-industries-and-occupations/Plumber-employees---claiming-work-related-expenses/?page=9>
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How you work out your claims and what records you need to keep will depend on whether the motor vehicle you use is considered to be a car, and whether you own or lease it.

Working out if your motor vehicle is a car

Your motor vehicle is not considered to be a car if it is any of the following:

- a vehicle with a carrying capacity of one tonne or more, such as a utility truck or panel van
- a vehicle with a carrying capacity of nine passengers or more, such as a mini-van
- a motorcycle or similar vehicle.

All other motor vehicles are considered cars.

If you are unsure if your vehicle has a load carrying capacity of one tonne or more you will need to refer to the manufacturer's handbook for your vehicle - the load-carrying capacity is the difference between the gross vehicle mass (GVM) and the kerb weight.



To claim a deduction for your daily car expenses, see [Claiming car expenses](#).

If your motor vehicle is not a car, see [Claiming expenses for vehicles other than cars](#).

Claiming car expenses

- <http://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Deductions-for-specific-industries-and-occupations/Plumber-employees---claiming-work-related-expenses/?page=10>
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If the motor vehicle you drive is a car and you can claim a deduction for your work-related car expenses, you can use one of four methods to work out the amount you can claim.

The four methods are:

- cents per kilometre
- logbook
- 12% of original value
- one-third of actual expenses.

The two methods most commonly used by employees in the plumbing industry are **either**:

- cents per kilometre
- logbook.



For more information about the four methods of claiming car expenses, refer to [D1 - Work-related car expenses](#).

Cents per kilometre method

- <http://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Deductions-for-specific-industries-and-occupations/Plumber-employees---claiming-work-related-expenses/?page=11>
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If you are claiming a deduction under the cents per kilometre method, your claim is based on a set rate for each work kilometre depending on your car's engine type and capacity.

You can only claim 5,000 work kilometres per car, per year using this method, even if you travelled more - for example, if you have travelled 5,085 work kilometres in a car for the year, you cannot claim for the extra 85 kilometres.

When working out your deduction using the cents per kilometre method, you do not need receipts or other written evidence, but you must show how you worked out your estimate of work kilometres. For example, by:

- keeping a diary of work-related travel
- basing your costs on a regular pattern of travel.

Example 5: Basing costs on a regular pattern of travel

Rudy travels five kilometres each day while carrying out work-related activities. He worked Monday to Friday for 48 weeks during the tax year. It would be reasonable for Rudy to work out his work kilometres in the following way:

$5 \text{ (km)} \times 5 \text{ (days)} \times 48 \text{ (weeks)} = 1,200 \text{ work kilometres for the income tax year.}$

Example 6: Keeping a diary of work-related travel

William works for an industrial plumbing company. From his diary notes of appointments during the income tax year; he works out that he has travelled 4,825 kilometres for work-related activities.

Although he does not have an established pattern of travel, his diary notes form a reasonable basis for his calculation.



The cents per kilometre rate incorporates an amount for services and repairs to the vehicle. If you use this method then you cannot claim servicing or repairs to the same vehicle elsewhere on your tax return.

Example 7: Claiming car expenses using the cents per kilometre method

Mike is a plumber and drives to his customers' homes, generally in his local area, throughout the day. He keeps a diary of his travels and uses this information to claim for 3,661 kilometres on his tax return using the cents per kilometre method. During the year, it cost him \$320 to service his vehicle.

He cannot claim a deduction for his vehicle servicing as he has used the cents per kilometre method to claim his work-related car expenses.

Logbook method

- <http://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Deductions-for-specific-industries-and-occupations/Plumber-employees---claiming-work-related-expenses/?page=12>
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The logbook method is a way you can work out the percentage of your car use that is for work purposes. You can then claim a deduction for this percentage of each car expense you incur.


When using the logbook method, you must keep **all** of the following:

- A logbook: To work out the percentage of your car use that was for work purposes, your logbook must cover a period of 12 continuous weeks and is valid for five years.
- Odometer records: Record your opening and closing odometer readings for each year you use the logbook method.
- Written evidence for all your car expenses: You can use your odometer records to estimate your fuel and oil costs, instead of keeping receipts.

Example 8: Claiming car expenses using the logbook method

Mallory is employed by a large construction company and uses his car for work purposes. He pays for fuel, oil, repairs and maintenance at the local garage, paying by credit card, EFTPOS, or occasionally cash.

Mallory claims his car expenses using the logbook method so he does not need to keep the receipts for fuel and oil - he relies on his odometer records. However, he needs to keep receipts for the repairs and maintenance.


 If you complete your own tax return, you claim your car expenses at **D1 - Work-related car expenses**.

 To help work out your work-related car expenses, use our [Work related car expenses calculator](#).

Claiming expenses for vehicles other than cars

- <http://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Deductions-for-specific-industries-and-occupations/Plumber-employees---claiming-work-related-expenses/?page=13>
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If you are eligible to claim your vehicle expenses and your vehicle is a motorcycle or has a carrying capacity of one tonne or more (such as some panel vans and utility trucks), you can only claim your actual expenses.

 This means you cannot claim using any of the four car expenses methods:

- cents per kilometre
- logbook
- 12% of original value
- one-third of actual expenses.

Your actual expenses include the cost of:

- fuel and oil
- repairs and servicing
- interest on a car loan
- lease payments
- insurance
- registration.

You need to keep receipts for your actual expenses, including fuel and oil costs. Bank statements and credit card transaction receipts are not sufficient evidence for fuel and oil purchases - you need to keep your actual receipts.

If you use your vehicle for both work and private purposes, you can use a diary to record how much of your expenses are for work purposes.

If you borrow a car that is owned or leased by someone else, you may be able to claim costs incurred if you use the car for your work as an employee. These expenses include petrol, oil and repair costs.

If you are reimbursed by your employer you cannot claim a deduction for expenses you incur. You do not include the reimbursement on your tax return.



If you lodge your own tax return, you claim these expenses at **D2 - Work-related travel expenses**. If you claimed a deduction for the same vehicle as a car expense at **D1 - Work-related car expenses**, then you cannot also make a travel expense claim.



For more information about claiming expenses for vehicles other than cars, refer to [D2 - Work-related travel expenses](#).

Parking expenses and tolls

- <http://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Deductions-for-specific-industries-and-occupations/Plumber-employees---claiming-work-related-expenses/?page=14>
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You can claim a deduction for parking fees (but not fines) and tolls if the expenses are incurred while you are travelling:

- between two separate places of work
- to a place of education for work-related self-education purposes, if the self-education expenses are deductible
- in the normal course of duty if the travelling expenses are deductible - for example, travel between home and work when transporting bulky tools and equipment.

Otherwise, the cost of that travel is a private expense and you cannot claim a deduction for parking fees and tolls.



If you lodge your own tax return, you claim your parking and toll expenses at **D2 - Work-related travel expense**.

Motor vehicles and other transport expenses you cannot claim

- <http://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Deductions-for-specific-industries-and-occupations/Plumber-employees---claiming-work-related-expenses/?page=15>
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Unless you meet the conditions outlined in [Claiming motor vehicles and other transport expenses](#), the cost of normal trips between home and work is generally a private expense you cannot claim a deduction for, even if:

- you work outside normal business hours - for example, working weekends or overtime
- you are on call
- you do minor tasks, such as picking up a timesheet on the way to work or home
- you live a long distance from work
- there is no public transport available so you use a car.



You cannot claim a deduction for any fines you receive, such as speeding or parking infringements.



For more information about what trips you can claim, refer to [Car and travel expenses](#).

Clothing, laundry and dry-cleaning expenses

- <http://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Deductions-for-specific-industries-and-occupations/Plumber-employees---claiming-work-related-expenses/?page=16>
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You may be able to claim a deduction for the costs you incur when you buy, repair or clean your work clothing. Work clothing you can claim a deduction for includes:

- compulsory uniforms and corporate wardrobes
- a single item of distinctive clothing, (such as a jumper, shirt or tie with the employer's logo), if it is compulsory for you to wear the item
- a non-compulsory corporate uniform if your employer has registered the design with AusIndustry
- protective clothing and footwear.

You can claim a deduction for the cost of washing, drying and ironing your deductible work clothing as laundry expenses. This also includes laundromat expenses and the actual cost of dry-cleaning.

Protective clothing

- <http://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Deductions-for-specific-industries-and-occupations/Plumber-employees---claiming-work-related-expenses/?page=17>
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Protective clothing and footwear protects you from the risk of illness or injury, or prevents damage to your conventional (everyday) clothes, caused by your work or work environment.

Protective clothing may include:

- fire-resistant clothing for protection against intense heat
- sun-protection clothing
- safety coloured vests
- rubber boots
- items designed to protect you from the risk of injury at work, such as gloves and steel-capped boots
- aprons and overalls worn to stop you coming into contact with harmful substances, or to protect you from grease and dirt
- heavy-duty shirts and trousers.

Conventional clothing (such as jeans, drill shirts and shorts, trousers and socks) is considered private in nature and not deductible. Although these items may have some protective qualities, the limited level of protection they provide usually means that the essential character of the expenditure is private.

Example 9: Not eligible to claim a deduction

Richard, a trainee plumber, works on a building site. He wears jeans with t-shirts or long sleeve shirts at work as they are comfortable, although not very durable. These items are acceptable for work and Richard wears them when travelling to and from work.

While the jeans and shirts afford Richard some protection from skin abrasions, they provide only limited protection from injury. The items are commonly worn as conventional clothing and are not designed to protect the wearer or cope with rigorous working conditions.

Richard cannot claim a deduction for the cost of purchasing or cleaning these items because they are private in nature.



If you lodge your own tax return, you can claim a deduction for protective clothing at **D3 - Work-related clothing, laundry and dry-cleaning expenses**.



For more information about protective equipment, see [Protective equipment](#).

Records you must keep

- <http://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Deductions-for-specific-industries-and-occupations/Plumber-employees---claiming-work-related-expenses/?page=18>
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You do not need to keep receipts or other written evidence of your claim if the total amount of your laundry expenses is \$150 or less, or your total claim for work-related expenses is \$300 or less. However, you must be able to show how you worked out your claim.

If your claim for laundry expenses is more than \$150 and your total claim for work-related expenses is more than \$300 - not including car, meal allowance, award transport payment allowance and travel allowance expenses - the records you must keep include:

- receipts, or other written evidence of your expenses
- diary entries you make to record
 - your small expenses (\$10 or less) totalling no more than \$200 that you do not have a receipt for
 - expenses that you cannot get any kind of evidence for, regardless of the amount - for example, laundromat costs.



To help you work out your clothing, laundry and dry-cleaning expenses, use our [Work related uniform expenses calculator](#).

Overtime meals

- <http://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Deductions-for-specific-industries-and-occupations/Plumber-employees---claiming-work-related-expenses/?page=19>
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Any amount you receive for overtime meals that is included as part of your normal salary or wages - for example, under your workplace agreement - is not considered to be an overtime meal allowance.

You can claim a deduction for overtime meal expenses if:

- you received a genuine overtime meal allowance from your employer that was paid under an industrial law, award or agreement
- you have included the amount of the meal allowance as income at item **2** on your tax return
- you have written evidence that includes the costs of meals (such as receipts or diary entries) if your claim was more than the reasonable allowance amount.

You must include the allowance you received on your tax return if one of the following applies:

- you have an overtime meal allowance included on your payment summary
- you are claiming a deduction and the allowance is not included on your payment summary
- you received an allowance in excess of the reasonable allowance amount.



We set the reasonable allowance amount for your circumstance in an annual taxation determination that explains:

- when you do not need evidence of your expenses
- how you can claim your overtime meal expenses.

Example 10: Claiming overtime meals

Terry was employed by a large construction company for a major job excavating a transit tunnel. He was required to work overtime for 10 days.

Terry was paid a bona fide (legitimate) overtime meal allowance for \$26.45 for each night he worked overtime, equivalent to the 2011-12 income year reasonable allowance rate set by us.

Terry spent \$14.00 each time on a takeaway meal. At the end of the income year his payment summary included the \$264 in allowances he received, representing the 10 overtime days x \$26.45.

On his tax return, Terry correctly included the \$264 in allowance at item **2**. At '**D5 - Other work-related expenses**' he claimed a deduction of $\$14.00 \times 10 = \140 - the amount he actually spent on his overtime meals.



The receipt of an overtime meal allowance does not automatically entitle you to a deduction. You can only claim a deduction for the actual amount you spent on the work-related overtime meal allowance expenses.



For the 2011-12 reasonable allowance amounts, refer to [TD 2011/17 - Income tax: what are the reasonable travel and overtime meal allowance expense amount for the 2010-11 income year?](#)

<http://law.ato.gov.au/atolaw/view.htm?docid=TXD/TD201117/NAT/ATO/00001>

Phone expenses

- <http://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Deductions-for-specific-industries-and-occupations/Plumber-employees---claiming-work-related-expenses/?page=20>
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You can claim a deduction for the cost of work-related phone calls you make, including calls from mobile phones. You can also claim a deduction for your phone rental if you can show you were on call, or you had to call your employer or clients regularly while you were away from your workplace. If you also used your phone for private purposes, you can only claim that portion of your phone rental costs and calls that relate to your work-related use of the phone.



If you are reimbursed for part or all of your phone expenses, or provided with a pre-paid SIM card by your employer, you can only claim a deduction for the work-related portion you have not been reimbursed for.

Records you must keep

- <http://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Deductions-for-specific-industries-and-occupations/Plumber-employees---claiming-work-related-expenses/?page=21>
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You may be able to identify your work-related calls individually on your itemised phone bill. If you do not receive itemised bills - for example, you use a pre-paid SIM - you can make a reasonable estimate of your call costs based on diary records you have kept over a four-week period, together with your relevant phone bills.

Example 11: Claiming phone expenses

Daniel uses his mobile phone for work purposes. He is on a set plan of \$49 a month and rarely exceeds the plan cap.

Daniel receives an itemised bill from his phone provider each month by email, which includes details of the individual calls he has made.

At least once a year, Daniel prints out his bill and highlights the work-related calls he made. He makes notes on his bill for the first month about who he is calling for work - for example, his manager and his clients.

Of the 300 calls he has made in a four-week period, Daniel works out that 30 (10%) of the calls are for work and applies that percentage to his cap amount of \$49 a month. The other two months that Daniel reviews are consistent with this.

As Daniel was only at work for 46 weeks of the year (10.6 months), he works out his work-related mobile phone expense deduction as follows:

$$10.6 \text{ months} \times \$49 \times 10\% = \$52$$



If you lodge your own tax return, you claim your work-related phone expenses at **D5- Other work-related expenses**.

Protective equipment

- <http://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Deductions-for-specific-industries-and-occupations/Plumber-employees---claiming-work-related-expenses/?page=22>
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You can claim a deduction for items that protect you from the risk of injury or illness caused by your work or your work environment, such as hard hats and safety glasses (see [Protective clothing](#)).

You must have personally incurred the expense to claim a deduction. If your employer paid for the protective items you use, you would not be able to claim a deduction because you did not incur the expense.

Protective equipment includes equipment such as:

- safety helmets
- ear muffs
- harnesses
- face masks
- goggles
- safety glasses
- breathing masks.

You can claim an immediate deduction for personal protective equipment you use on the job that costs \$300 or less.

You cannot claim an immediate deduction for protective equipment costing more than \$300 that you use for more than a year. However, you can claim a deduction for the equipment's [decline in value](#) (depreciation).

Example 12: Eligible to claim a deduction

Rafael wears steel-capped boots and a hard hat when working at the industrial park. These items are not of a private or domestic nature and are necessary for Rafael to wear while at work.

The protective nature of these items means that Rafael can claim a deduction for their cost.



If you complete your own income tax return, you claim a deduction for protective equipment expenses at **D5 - Other work-related expenses**.



For more information about the decline in value (depreciation) of equipment, refer to [Work-related expenses - decline in value](#).

Self-education expenses

- <http://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Deductions-for-specific-industries-and-occupations/Plumber-employees---claiming-work-related-expenses/?page=23>
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You can claim a deduction for work-related self-education expenses that have a sufficient connection to your current work activities.



Self-education includes:

- courses undertaken at an educational institution, whether it leads to a formal qualification or not
- attendance at work-related conferences, seminars or education workshops
- self-paced learning and study tours.

The cost of self-improvement or personal development courses is generally not deductible.

You can claim a deduction for self-education expenses if you meet any of these conditions:

- you are upgrading your qualifications for your current employment
- you are improving specific skills or knowledge used in your current employment
- you are employed as a trainee and undertaking a course that forms part of that traineeship
- you can show that at the time you were working and studying, your course led, or was likely to lead, to an increase in employment income.

	<p>If your employer pays for the course fees outright, or reimburses you upon completion of your course, you cannot claim a deduction for your course fees.</p>
	<p>To help you work out if you can claim a deduction for work-related self-education expenses, use our Self-education eligibility tool.</p>

If your self-education meets one of the above conditions, you can generally claim study-related items, such as:

- textbooks
- course fees
- stationery
- internet access
- student union fees
- travel expenses to and from the place of education
- decline in value (depreciation) of equipment you use in your study, such as a computer.

You can only claim the decline in value (depreciation) based on how much you use the equipment for study purposes - for example, if you use your computer half for private purposes and half for study purposes, you can only claim half the decline in value.

If your self-education expenses relate to a course you undertook at school, college or university, you may have to reduce your claim for self-education expenses by \$250. Whether or not your claim is reduced by \$250 depends on the category of your expenses and does not apply to all self-education expenses.

Example 13: Eligible to claim a deduction

Francesco is an apprentice plumber who travels to a technical college to undertake his apprenticeship course for two consecutive days each fortnight. He incurs self-education expenses totalling \$2,500.

Francesco can claim a deduction for the cost of the course and travel to and from his place of education.



If you lodge your own tax return, you claim your work-related self-education

- course costs at **D4 - Work-related self-education expenses**
- conference, seminar and workshop costs at **D5 - Other work-related expenses**.



To help you work out your self-education deduction, or if you need to reduce your claim by \$250 use our [Self-education expenses calculator](#).

Records you must keep

- <http://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Deductions-for-specific-industries-and-occupations/Plumber-employees---claiming-work-related-expenses/?page=24>
- Last modified: 15 Jun 2012
- QC 26105

You must keep the following records:

- receipts or other written evidence of your expenses, including receipts for depreciating assets you have purchased - for example, a laptop
- diary entries you make to record
 - how much you used your equipment, home office, phone and internet access for self-education purposes during a representative four-week period
 - your small expenses (\$10 or less) totalling no more than \$200 that you do not have a receipt for
 - expenses you cannot get any kind of evidence for, regardless of the amount.



For more information about claiming self-education expenses, refer to [D4 - Work-related self-education](#).

Sunglasses, sunhats and sunscreens

- <http://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Deductions-for-specific-industries-and-occupations/Plumber-employees---claiming-work-related-expenses/?page=25>
- Last modified: 15 Jun 2012
- QC 26105

You can claim a deduction for sunglasses, sunhats and sunscreens if the nature of your work requires you to work in the sun for all or part of the day and you use these items to protect yourself from the sun while at work.

You cannot claim a deduction for the cost of prescription glasses or contact lenses because the expense relates to a personal medical condition - for example, you cannot claim a deduction for the cost of prescription glasses to protect yourself against the risk of injury where the risk arises only because of your short-sightedness.

However, the cost of prescription sunglasses, including photo-chromatic glasses which have filtering and glare-reducing qualities similar to sunglasses that protect you from the risk of illness or injury at work is not of a private or domestic nature. If you do claim a deduction, you can only claim the work-related portion of your use of the glasses.

Example 14: Claiming for sunglasses

Harold works for a small plumbing company in far north Queensland. He regularly works at more than one location each day and drives his employer's truck when travelling from job to job. He wears sunglasses for protection against the glare of the sun while driving the truck. He also needs to wear glasses while driving, for his short-sightedness.

He buys a pair of prescription sunglasses which counter the glare during day driving. He also buys a pair of untinted prescription glasses for night driving.

Harold can claim a deduction for the prescription sunglasses, but not for the untinted prescription glasses.



You cannot claim a deduction for the cost of prescription glasses or contact lenses, as the expense relates to a personal medical condition.

Tools and equipment

- <http://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Deductions-for-specific-industries-and-occupations/Plumber-employees---claiming-work-related-expenses/?page=26>
- Last modified: 15 Jun 2012
- QC 26105

You can claim an immediate deduction for the full purchase price of each tool or piece of equipment that:

- you use for your work as an employee
- costs you \$300 or less
- was not one of a number of identical or substantially identical tools you started to hold in the income year that cost more than \$300
- was not part of a set of tools that you started to hold in the income year that cost more than \$300.

If the tool or piece of equipment costs more than \$300, you cannot claim an immediate deduction for the full purchase price. However, you can claim a deduction for its decline in value (depreciation). Your claim for depreciation applies to the whole amount, not just the amount over \$300.

There are two methods to work out depreciation:

- prime cost method
- diminishing value method.

Depreciation using the prime cost method is worked out as a percentage of the cost of the equipment. Depreciation using the diminishing value method is worked out initially as a percentage of the equipment's cost and then as a percentage of the written down value.

Example 15: Claiming tool expenses

Anna needed a new set of 16 high-quality spanners for work. She could not afford the upfront cost of \$330, so she bought the 16 spanners individually during the income tax year.

Although they only cost \$22 each, Anna cannot claim an immediate deduction for the spanners because they are part of a set that she bought in the same income tax year that cost more than \$300. Anna can claim a deduction for the decline in value (depreciation) of the set that cost her \$352.

If in a following year Anna breaks one of the spanners and has to buy a replacement, she will be able to claim an immediate deduction for the replacement because it will not be part of the set that she bought in the same year that cost more than \$300.

If you use the tool or piece of equipment partly for private purposes, the amount you can claim depends on the amount of time you use the tool or equipment for work purposes - for example, if you own a power tool that you use half for work purposes and half for private purposes, you can only claim half the decline in value (depreciation).

You can also claim the work-related cost of repairing and insuring your tools and equipment, and any interest charges you incur on money you borrowed to purchase these items.

If you received a tool allowance of \$500 and your tool expenses were \$300, you include the whole amount of the allowance as income on your tax return and you claim a deduction for \$300 for the expenses incurred.



If you are a new apprentice and you received government-funded tools through your employer, you cannot claim a deduction for the costs or decline in value (depreciation) of those tools.

Example 16: Claiming depreciating tool expenses

Tal purchased a tool set on 5 September for \$1,500. He only uses the tools for work purposes.

Tal visits our website and looks up our ruling on the effective life of depreciating assets - the ruling says the effective life of loose tools is five years.

He then uses the prime cost method to work out the deduction for the decline in value of his tool set:

asset's cost	X		X	
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		<u>days held</u> 365		<u>work-use percentage</u> effective life of tool
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\$1,500	X	300 <u>(5 Sep-30 Jun)</u> 365	X	<u>100%</u> 5
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Tal can therefore claim \$247 for the decline in value of his tool set in the first year. Using the same method, he can claim \$300 per year in the following four years and \$53 in the final (sixth) year.



To help you work out the deduction for the depreciation of a tool, use our [Decline in value calculator](#).

Records you must keep

- <http://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Deductions-for-specific-industries-and-occupations/Plumber-employees---claiming-work-related-expenses/?page=27>
- Last modified: 15 Jun 2012
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The records you must keep may include:

- receipts or other written evidence of your expenses, including receipts for depreciating assets you have purchased
- diary entries you make to record
 - your small expenses (\$10 or less) totalling no more than \$200 that you do not have a receipt for
 - expenses you cannot obtain any kind of evidence for, regardless of the amount.

For a depreciating asset, you must keep records for five years from the date of your last claim for decline in value on that depreciating asset. For other expenses, you must keep records for five years from the due date for lodging your tax return. If you lodge your tax return after the due date, the five years start from the date you lodge your tax return.



If you lodge your own tax return, you claim these expenses at **D5 - Other work-related expenses**.

Union and professional association fees

- <http://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Deductions-for-specific-industries-and-occupations/Plumber-employees---claiming-work-related-expenses/?page=27>

[occupations/Plumber-employees---claiming-work-related-expenses/?page=28](http://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Deductions-for-specific-industries-and-occupations/Plumber-employees---claiming-work-related-expenses/?page=28)

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You can claim a deduction for union and professional association fees.

If the amount you paid is included on your payment summary, you can use the payment summary to prove your claim.

You can claim a deduction for a levy paid in certain circumstances - for example, to protect the interests of members and their jobs.

You cannot claim a deduction for levies or other amounts you paid to help families of employees suffering financial difficulties as a result of employees being on strike or having been laid off.



If you complete your own tax return, you claim these expenses at **D5 - Other work-related expenses**.

More information

- <http://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Deductions-for-specific-industries-and-occupations/Plumber-employees---claiming-work-related-expenses/?page=29>
- Last modified: 15 Jun 2012
- QC 26105

For more information about claiming work-related expenses, refer to the following tools and publications:

- [Car and travel expenses](#)
- [D1 - Work-related car expenses](#)
- [D2 - Work-related travel expenses](#)
- [Work related car expenses calculator](#)
- [Work related uniform expenses calculator](#)
- [D4 - Work-related self-education expenses](#)
- [Self-education eligibility tool](#)
- [Self-education expenses calculator](#)
- [Decline in value calculator](#)
- [Work related expenses - decline in value](#)
- [TD 2011/17 - Income tax: what are the reasonable travel and overtime meal allowances expense amounts for the 20110-12 income year? <<http://law.ato.gov.au/atolaw/view.htm?docid=TXD/TD201117/NAT/ATO/00001>>](#)

To obtain copies of our publications:

- use our [online ordering service](#)
- phone our publications and distribution service on **1300 720 092**.

For more information about work-related expenses, phone us on **13 28 61** from Monday to Friday, between 8.00am and 6.00pm. We can offer you a more personal service if you provide your tax file number.

Other services

If you do not speak English well and need help from the ATO, phone the Translating and Interpreting Service on **13 14 50**.

If you are deaf, or have a hearing or speech impairment, phone the ATO through the National Relay Service (NRS) on the numbers listed below:

- TTY users, phone **13 36 77** and ask for the ATO number you need
- Speak and Listen (speech-to-speech relay) users, phone **1300 555 727** and ask for the ATO number you need
- internet relay users, connect to the NRS on www.relayservice.com.au [<http://www.relayservice.com.au/>](http://www.relayservice.com.au) and ask for the ATO number you need.

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.

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