

Truck drivers - claiming work-related expenses

Short-haul and local drivers

Short-haul and local drivers usually return home at the end of a day's work.

➤ For information when a driver stays away overnight, see [Long-haul drivers](#).

When you can make a claim

In most situations, you can claim deductions for work-related expenses as long as:

- you incurred the expense in doing your job
- the expense is not private (for example, travel to and from work)
- you can show you incurred the expense by producing receipts or other written evidence unless an exception applies.

However, there are some instances where you have to meet other conditions, some of which are mentioned below.

Claim the correct amount for the year

- You must have incurred the expense in the year you are claiming the deduction, unless the expense relates to the decline in value (depreciation) of tools or equipment you purchased.
- When claiming the decline in value of your tools or equipment, you must have used them or had them available for use in the year you are making the claim.
- You can only claim that part of an expense that relates to your work.

⚠ Remember

- When you complete the declaration on your tax return you are declaring that everything you have told us is true and 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.

Allowances

The most common allowances paid to an employee truck driver are:

- overtime meal allowance
- travel allowance (meal allowance).

In the trucking industry, a travel allowance paid when you have to sleep away from home is sometimes referred to as a living-away-from-home allowance.


Travel allowance

- A travel allowance is an amount you receive that could reasonably be expected to cover your meals and expenses incidental to your work-related travel.
- A token amount you receive as a travel allowance that does not reasonably cover your travel costs is not accepted as being a travel allowance.
- If you receive a cents per kilometre allowance, you may receive a higher cents per kilometre rate when you must stay away from home overnight. The increased cents per kilometre rate is not accepted as being a travel allowance.

Travel allowance is different to living-away-from-home allowance. Living-away-from-home allowance is paid to cover your additional accommodation and meal costs when you live in a second home because your employer requires you to work away from your usual home for a long period to do your work. Living-away-from-home allowance is usually subject to fringe benefits tax and is not shown on your payment summary.

If your living-away-from-home allowance appears on your payment summary and is paid to you to cover meal expenses because you have to sleep away from home, you should treat it as a travel allowance.

Regardless of how much allowance you receive, you can only claim a deduction for the expenses you paid. That is, if you paid \$80 in work-related expenses and you received a \$100 allowance for those expenses, you can claim only \$80.

 If you are claiming travel expenses and you received a travel allowance from your employer, you must record the allowance as income on your tax return at item **2**.

Reimbursements

- If your employer or any other person reimburses you for expenses you have actually incurred, the payment is called a reimbursement. An allowance is not considered to be a reimbursement.
- You cannot claim a deduction for expenses you incur if those expenses are reimbursed to you by your employer - you do not include a reimbursement on your tax return.
- If you claim your motor vehicle expenses from your employer using the cents per kilometre method, the amount you receive is considered to be an allowance.

Example 1

Troy had to use his car to meet another truck driver who had to stop driving his truck 20kms away from the depot due to a mandatory long break. The driver returned Troy's car to the depot while Troy drove the truck.

Troy was paid for the 20 kilometres he used his car based on the cents per kilometre rate plus the bridge toll he incurred. Even though Troy received a payment for using

his car, the payment is not a reimbursement but an allowance, as it is only an estimate of the cost of using the car. Therefore, Troy must show the amount he received on his tax return at item **2**.

The amount Troy receives from his employer to cover the cost of the bridge toll is a reimbursement, and does not have to be included on Troy's tax return.

Troy can claim a deduction for these car expenses at item **D1 Work-related car expenses** on his tax return.

Evidence to support your claims

If your total claims add up to more than \$300 (excluding claims for car, meal allowance, award transport payments allowance and travel allowance expenses), you must keep written evidence, such as receipts. Your written evidence must show you incurred 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.

Claiming overtime meal expenses

Generally meals, snacks and drinks you buy and consume while on the job are considered to be a private expense for which you cannot claim a deduction.

➤ If you stay away overnight, you can claim a deduction for your meal expenses - see [Claiming meal and incidental expenses](#).

If you are working overtime, you can claim a deduction for overtime meal expenses if you:

- purchased a meal when you worked overtime, and
- received an overtime meal allowance under an industrial award for working overtime.

You must include the allowance you receive on your tax return if you:

- have an overtime meal allowance shown on your payment summary
- are claiming a deduction that is different from the allowance amount and the allowance is not shown on your payment summary, or
- received an allowance in excess of the [reasonable allowance](#) amount.

Most industrial awards roll the overtime meal allowance into the normal salary or wage and it is not included as a separate allowance on your payment summary. In this situation, you cannot claim a deduction for overtime meals.

We set the reasonable allowance amount for your circumstances in an annual taxation determination, which explains:

- when you don't need evidence of your expenses
- the way in which you can claim them.

- For the 2009-10 reasonable allowance amount, refer to [Taxation Determination TD 2009/15 - Income tax: what are the reasonable travel and overtime meal allowance expense amounts for 2009-10 income year?](#)

For the 2010-11 reasonable allowance amounts, refer to [TD 2011/17 - Income tax: what are the reasonable travel and overtime meal allowance expense amounts for the 2011-12 income year?](#) (as at 30 June 2010).

If the overtime meal allowance is not shown on your payment summary and was not more than the reasonable allowance amount, you do not have to show it on your tax return as long as you:

- spent the entire allowance on expenses for which you can claim a deduction, and
- are not claiming the deduction.

- ⚠ You claim overtime meal expenses at item **D5 Other work-related expenses** on your tax return.

Keeping records of your overtime meal expenses

You must keep records and these can be:

- 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, or expenses you cannot get any kind of evidence for, regardless of the amount
- payment summaries showing items such as overtime meal allowances
- pay slips which record allowances
- a letter from your employer recording your allowances.

Long-haul drivers

A long-haul driver is a driver who usually sleeps away from home in the course of driving the truck.

When you can make a claim

In most situations, you can claim deductions for work-related expenses as long as:

- you incurred the expense in doing your job
- the expense is not private (for example, travel to and from work), and
- you can show you incurred the expense by producing receipts or other written evidence unless an exception applies.

However, there are some instances where you have to meet other conditions, some of which are mentioned below.

Claim the correct amount for the year

- You must have incurred the expense in the year you are claiming the deduction, unless the expense relates to the decline in value (depreciation) of tools or equipment you purchased.
- When claiming the decline in value of your tools or equipment, you must have used them or had them available for use in the year you are making the claim.
- You can only claim that part of an expense that relates to your work.

Remember

- When you complete the declaration on your tax return you are declaring that everything you have told us is true and 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.

Allowances

The most common allowances paid to an employee truck driver are:

- overtime meal allowance
- travel allowance (meal allowance).

In the trucking industry, a travel allowance paid when you have to sleep away from home is sometimes referred to as a living-away-from-home allowance.

Travel allowance

- A travel allowance is an amount you receive that could reasonably be expected to cover your meals and expenses incidental to your work-related travel.
- A token amount you receive as a travel allowance that does not reasonably cover your travel costs is not accepted as being a travel allowance.
- If you receive a cents per kilometre allowance, you may receive a higher cents per kilometre rate when you must stay away from home overnight. The increased cents per kilometre rate is not accepted as being a travel allowance.

Travel allowance is different to living-away-from-home allowance. Living-away-from-home allowance is paid to cover your additional accommodation and meal costs when you live in a second home because your employer requires you to work away from your usual home for a long period to do your work. Living-away-from-home allowance is usually subject to fringe benefits tax and is not shown on your payment summary.

If your living-away-from-home allowance appears on your payment summary and is paid to you to cover meal expenses because you have to sleep away from home, you should treat it as a travel allowance.

Regardless of how much allowance you receive, you can claim only a deduction for the expenses you paid. That is, if you paid \$80 in work-related expenses and you received a \$100 allowance for those expenses, you can claim only \$80.

- ! If you are claiming travel expenses and you received a travel allowance from your employer, you must record the allowance as income on your tax return at item **2**.

Reimbursements

- If your employer or any other person reimburses you for expenses you have actually incurred, the payment is called a reimbursement. An allowance is not considered to be a reimbursement.
- You cannot claim a deduction for expenses you incur if those expenses are reimbursed to you by your employer - you do not include a reimbursement on your tax return.
- An allowance is not considered to be a reimbursement.
- If you claim your motor vehicle expenses from your employer using the cents per kilometre method, the amount you receive is considered to be an allowance.

Example 2

Troy had to use his car to meet another truck driver who had to stop driving his truck 20km away from the depot due to a mandatory long break. The driver returned Troy's car to the depot while Troy drove the truck.

Troy was paid for the 20 kilometres he used his car based on the cents per kilometre rate plus the bridge toll he incurred. Even though Troy received a payment for using his car, the payment is not a reimbursement but an allowance, as it is only an estimate of the cost of using the car. Therefore, Troy must show the amount he received on his tax return at item **2**.

The amount Troy receives from his employer to cover the cost of the bridge toll is a reimbursement, and does not have to be included on Troy's tax return.

Troy can claim a deduction for these car expenses at item **D1 work-related car expenses** on his tax return.

Evidence to support your claims

If your total claims add up to more than \$300 (excluding claims for car, meal allowance, award transport payments allowance and travel allowance expenses), you must keep written evidence, such as receipts. Your written evidence must show you incurred 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.

Claiming work-related car expenses

Transporting bulky tools and equipment

You can claim a deduction for the cost of transporting bulky tools and equipment between home and work if:

- you need to use them at work, and
- there is no secure area for storing them at your workplace.

Example 3

Amy does an intercity haul. She collects her loaded truck in the evening and travels overnight to another city which she reaches before her mandatory long break. She unhitches the trailer, takes the truck to a place where she can sleep in it and then returns to collect the reloaded trailer for the return trip that night.

Amy takes a portable fridge, two screwdrivers, food for the road, a sleeping bag, a blanket, a change of clothing, toiletry gear and a GPS with her. She keeps these items at home and transports them to and from her depot as there is no storage at the depot. The items she uses for work are considered bulky.

Amy is entitled to a deduction for her costs of travelling between her home and depot.

- For more information about claiming deductions for your car expenses refer to [Work-related car expenses](#).

Claiming meal and incidental expenses

When you must stay away from home in the course of doing your job, you may be able to claim a deduction for your:

- meal expenses
- incidental expenses.

Example 4

Joe does an intercity haul. He travels to a sleepover point where he hands the truck over to another driver and takes his required break at the company-paid accommodation. He then collects a truck going back home. Joe receives a meal allowance to cover his meals while on the road and for the sleepover.

Joe can claim the costs of his meals and incidental expenses because he incurred them as a result of having to stay away from home.

Example 5

Meredith is a truck driver. She regularly has to drive her truck to a distant country depot. Because the depot is so far away, she sleeps in the cab of the truck overnight and she also incurs meal expenses while on the road. As Meredith slept in the cab of her truck, she cannot claim a deduction for her accommodation expenses because she didn't incur any. Meredith can claim a deduction for the cost of buying her meals while on the road.

Generally, you will not incur accommodation expenses when working because you sleep in your truck or in accommodation provided by your employer. This means you cannot claim a deduction for your accommodation, as you did not incur an expense.

- ❗ If you are claiming travel expenses and you received a travel allowance from your employer, you must record the allowance as income at item 2 on your tax return.
- For more information about claiming deductions for your meal and incidental expenses, refer to [Work-related travel expenses](#).

When you cannot make a claim

Generally if your travel did not involve an overnight stay you cannot claim meals, even if you received a travel allowance.

Example 6

Matthew is a truck driver who transports a load of cement from Sydney to Canberra and then returns to his base in Sydney the same day. He buys food and drink during the course of the trip. As Matthew will return home to sleep, he cannot claim a deduction for the food and drink he bought while on the road, even if his employer paid him a travel allowance.

Keeping records of your meal and incidental expenses

You can claim a deduction for the full amount of your meal and incidental expenses without keeping all your records if:

- you receive a travel allowance that could reasonably be expected to cover your meals and expenses incidental to the travel (a token amount you receive as a travel allowance is not accepted as reasonably covering such costs), and
- your meal and incidental expenses are equal to or less than the [reasonable allowance](#) amount.

However, we may ask you to explain how you worked out the amount you claimed.

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

- when you don't need evidence of your expenses
 - the way in which you can claim them.
- For the 2009-10 reasonable allowance amount, refer to [Taxation Determination TD 2009/15 - Income tax: what are the reasonable travel and overtime meal allowance expense amounts for 2009-10 income year?](#)

For the 2010-11 reasonable allowance amounts, refer to [TD 2011/17 - Income tax: what are the reasonable travel and overtime meal allowance expense amounts for the 2011-12 income year?](#) (as at 30 June 2010).

Many truck drivers do not receive a travel allowance and will have to keep records of their meal and incidental expenses to support their claims.

- ! You claim your travel expenses at item **D2 Work-related travel expenses** on your tax return.

Types of records

Written evidence

Written evidence can be:

- invoices, receipts or other documents showing your travel expense and travel allowance details. If it is too difficult to get a receipt for a meal you purchased - for example, if you purchase a meal from a vending machine - you can keep diary entries as your proof of purchase
- receipts or other documents (such as diary entries) for air, bus, train, tram and taxi fares, bridge and road tolls, parking and car hire fees.

Travel diary

A travel diary is a document that shows the dates, places, times and duration of your activities and travel. Each diary entry must show the date you incurred each expense, the name of the supplier and the amount and type of expense.

Example 7

Steve is a truck driver who must transport goods to other states. His trips keep him away from home for several days at a time. While on the road Steve normally has a cooked breakfast and a substantial evening meal at a roadhouse. For lunch, Steve buys drinks and snacks from vendors who do not supply receipts.

Steve should obtain receipts for his breakfasts and evening meals as it is easy for him to do so from the roadhouses at which he eats. However, Steve can make diary entries for his lunch expenses as it is difficult for him to obtain receipts from the vendors.

If you received a travel allowance and your claim does not exceed the reasonable allowance amount

You do not have to show the travel allowance on your tax return if you:

- spent the entire allowance on your meals, and
- are not claiming a deduction for the meals.

Otherwise, you must show the allowance on your return.

If you receive a travel allowance and your claim does not exceed the reasonable allowance amount, you do not have to keep records of your expenses.

Example 8

Connor drives trucks for a busy company. Because he mainly drives long distance trips, he spends about 208 days away from home each income year. He also receives a travel allowance from his employer that reasonably covers the expected cost of his meals and other incidentals. However, since he sleeps in the cab of his truck, he doesn't receive any allowance for accommodation expenses.

Connor spends more than his travel allowance allows, but less than the [reasonable allowance](#) amount. Because of this, Connor can claim a deduction for meal expenses he incurred without keeping records of those expenses. However, he cannot claim any accommodation expenses because he didn't incur any.

Example 9

Dennis travels from Adelaide to Mt Gambier to deliver some freight that just arrived from China. He is away from home for one night. His employer pays him a travel allowance for meals and incidentals.


The travel allowance Dennis receives is less than the [reasonable allowance](#) amount but is likely to cover his expected costs. Dennis spends all of the allowance on his expenses. The allowance was not shown on Dennis' payment summary.

As Dennis spends the entire allowance on expenses for which he is eligible to claim a deduction, he does not have to show the allowance on his tax return if he doesn't claim the deduction.

If you received a travel allowance and your claim exceeds the reasonable allowance amount

The following table explains the records you must keep when you receive a travel allowance and your claim exceeds the reasonable allowance amount.

	Domestic travel	
	Written evidence	Travel diary
Travel less than 6 nights in a row	Yes	No
Travel 6 or more nights in a row	Yes	Yes

 If the amount you are claiming exceeds the reasonable allowance amount, you must keep records to show the full amount of your claim, not just the amount over the limit.

Example 10

Brenda travels from Adelaide to Broken Hill to deliver some freight that just arrived from China. She is away from home for two nights. Her employer pays a travel allowance for meals and incidentals.

The travel allowance Brenda receives is more than the reasonable allowance amount. Brenda spends all of the travel allowance on her expenses.

Because the allowance Brenda receives is more than the reasonable allowance amount, she must include the allowance on her tax return. Brenda must keep receipts if she wants to claim more than the reasonable allowance amount.

If your travel allowance is not shown on your payment summary

The following table explains the records you must keep when you receive a travel allowance that is not shown on your payment summary and you are claiming a deduction for your meal and incidental travel expenses.

	Domestic travel	
	Written evidence	Travel diary
Travel less than 6 nights in a row	Yes	No
Travel 6 or more nights in a row	Yes	Yes

These records include receipts or other documents showing the costs you incurred for meals and incidentals.

Example 11

Patrick's employer pays Patrick a cents per kilometre rate for the kilometres he travels for his work as an interstate truck driver. For overnight travel, his employer pays him a higher cents per kilometre rate.

Because Patrick does not receive an allowance that could reasonably be expected to cover meals or expenses incidental to his travel, Patrick must keep records for all his expenses.

If your trip is extended and you do not receive an allowance for the extra nights you are away for work

Example 12

Andrew receives an allowance to cover his meals and incidentals for a three night trip. Due to bad weather, the roads are flooded and Andrew is away for a total of five nights. His employer does not pay an allowance or reimburse him for the extra two nights he is away for work.

Because Andrew does not receive an allowance for the extra two nights he was out on the job, he can only claim a deduction for the extra expenses he incurs if he keeps records of the expenses that were not covered by his allowance.