WORK RELATED DEDUCTIONS – D1 to D15 - 2023FY

For Individuals

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CARISMA SOLUTIONS

D1 – Work-related car expenses

- **Method 1 : Cents per Kilometer (78 cents / km):**

  (a) Maximum of 5,000 business kilometers per car, per year.

  (b) You do not need written evidence, but you need to be able to show how you worked out your business kilometers.

- **Method 2 : Logbook**

  (a) Business use percentage of the expenses for the car.

  (b) To work out your business use percentage, you need a logbook and the odometer readings.

  (c) You can claim fuel and oil costs based on either your actual receipts or you can estimate the expenses based on odometer records.

  (d) You need written evidence for all other expenses for the car.

D2 – Work-related travel expenses

This deduction consists of the travel expenses you incur in performing your work as an employee.

They include the following:

- Public transport, air travel and taxi fares
- bridge and road tolls, parking fees and short-term car hire
- meal, accommodation and incidental expenses you incur while away overnight for work
- actual expenses, such as petrol, repair and maintenance costs, that you incur to travel in a car that is owned or leased by someone else.

D3 : Work–related clothing, laundry and dry-cleaning expenses

You can claim expenses you incurred as an employee for work-related:

- Protective clothing
- Uniforms
- Occupation-specific clothing
- Laundering and dry-cleaning of clothing

You must have written evidence for your laundry and dry-cleaning expenses if:

- in the case of laundry expenses, the amount of your claim > $150, and
- If the total claim > $300.

D4: Work-related self-education expenses

Costs you incur to get a formal qualification from a school, college, university or other place of education.

You can claim a deduction if:

- It improves your current work activities
- It leads to increase your income from your current work activities

Cannot claim if:

- It relates only in a general way to your current employment or profession.
- It enables you to get new employment.

D5 : Other work-related expenses

Working from home expenses

Revised fixed rate method : 67 cents per hour worked from home

Actual Cost method

Following expenses can be claimed

- Union fees and subscriptions to trade
- Professional seminars and courses
- Reference books, technical journals, etc.
- The work-related portion of tools and equipment purchased.

D6 : Low-value pool deduction

You can claim a deduction for the decline in value of low-cost and low-value assets you used in the course of producing income you show in your tax return, by allocating them to what is called a low-value pool.

- **Low-cost assets** are depreciating assets that cost less than $1,000.

What can't be claimed here:

- Assets you have previously claimed deductions for using the prime cost method
- Assets that cost $300 or less for which you can claim an immediate deduction

D7 : Interest deductions

Interest expenses you can claim relate to expenses you incurred in earning interest from any source in Australia.

Your interest expenses may include:

- bank or other financial institution account-keeping fees for accounts held for investment purposes.
- management fees and fees for investment advice relating to changes in the mix of your investments.
- interest you paid on money you borrowed to purchase income-producing investments.

D8 - Dividend deductions

- Dividend expenses you can claim relate to expenses you incurred in earning dividends and distributions that were paid or credited to you by Australian companies that you had shares in.

Your dividend expenses may include:

- management fees and fees for investment advice relating to changes in the mix of your investments
- interest charged on money borrowed to purchase shares or similar investments
- costs relating to managing your investments, such as travel and buying specialist investment journals or subscriptions.

If you had any joint share investments or similar investments, show only your share of joint expenses.

You can also claim a proportion of the decline in value of your computer based on the percentage of your total computer use that related to managing your investments.

What you can't claim

- You cannot claim expenses you were charged for drawing up an investment plan unless you were carrying on an investment business, in which case you would claim any expenses at question P8 Business income and expenses on the Business and professional items schedule for individuals 2023.

Dividend expenses you claim at another question

- Do not show at question D8 any dividend expenses incurred in
- earning trust and partnership distributions – they are taken into account at labels X and Y question 13 in your tax return
- earning foreign source dividends – they are taken into account at question 20 or D15 in your tax return.

D9 - Gifts or donations

To claim a deduction for gifts or donations you made, you need a receipt from an approved organisation.

Your receipt will usually indicate whether or not you can claim a deduction for the gift. If you are not sure, you can check with the organisation. If you are still not sure, go to abn.business.gov.auExternal Link or phone us to find out whether the organisation is an approved organisation.

Approved organisations include:

- certain funds, organisations or charities which provide help in Australia
- some overseas aid funds
- school building funds
- some environmental or cultural organisations.

Employees who make donations under salary sacrifice arrangements are not entitled to claim an income tax deduction for the donation on their own tax return.

What you can claim:

You can claim a deduction for:

- voluntary gifts of $2 or more made to an approved organisation
- a net contribution of more than $150 to an approved organisation for a fund-raising event (see Special circumstances and glossary 2023 for further conditions)
- contributions of $2 or more to
    - a registered political party
    - an independent candidate in an election for parliament
    - an individual who was an independent member of parliament during 2022–23 or, in limited circumstances, had been an independent member.

If you made donations in a joint name, include only your share.

What you can't claim:

- You cannot claim a deduction for a gift or donation if you received something in return (for example, raffle tickets or dinner) except in certain fund-raising events; see Deductions for contributions relating to fund-raising events in Special circumstances and glossary 2023.

Record keeping:

- You should keep records for all tax-deductible gifts, donations and contributions you make.
- If you made one or more donations of $2 or more to bucket collections conducted by an approved organisation for natural disasters such as bushfires, severe storms and flooding, you can claim a tax deduction of up to $10 for the total of those contributions without a receipt.

D10 - Cost of managing tax affairs

You may be able to claim a deduction at this question for expenses you incurred for:

- managing your tax affairs, including fees paid to a recognised tax adviser for doing your tax return
- applications made to the Administrative Appeals Tribunal or appeals to the courts about your tax affairs (litigation costs)
- interest charge we imposed on you
- amounts we charged you for underestimating a varied goods and services tax (GST) instalment or pay as you go (PAYG) instalment
- expenses for complying with your legal obligations relating to another person's or other entity's tax affairs.

You incurred an expense in 2022–23 when:

- you received a bill or invoice for an expense that you were liable for and had to pay (even if you paid it after 30 June 2023)
- you did not receive a bill or invoice but you were charged and you paid for the expense.

Interest charged by the ATO

- You can claim a deduction for an interest charge that we imposed on you for:
- the late payment of taxes and penalties
- the amount of any increase in your tax liability as a result of an amendment to your assessment
- the amount of any increase in other tax liabilities, such as GST or PAYG amounts.

You cannot claim

- You cannot claim tax shortfall and other penalties for failing to meet your obligations.
- You cannot claim for judgment debt interest that you had to pay as a result of a court case involving your tax affairs.

Step 1

- Separate the costs of managing your tax affairs into the following three components:
- interest charged by the ATO
- litigation costs
- other expenses incurred in managing your tax affairs.

Step 2

- Add up the costs for each component.

Step 3

- Write the total cost for each component at D10 as follows:
- interest charged by the ATO at label N
- litigation costs at label L
- other expenses incurred in managing your tax affairs at label M.

D11 - Deductible amount of un-deducted purchase price of a foreign pension or annuity

If you showed income from a foreign pension or annuity at question 20 – label D in your tax return, you may be entitled to claim a deduction to reduce the taxable amount of the pension or annuity income if your pension or annuity has a un-deducted purchase price (UPP). Only some foreign pensions and annuities have a UPP. The UPP is the amount you contributed towards the purchase price of your pension or annuity (your personal contributions).

Austrian pensions:

If you received an age, premature age, invalid, disability, widowed persons or orphans pension paid by an Austrian superannuation insurance fund under one of the Austrian social insurance acts, Allgemeines Sozialversicherungsgesetz (ASVG), Gewerbliches Sozialversicherungsgesetz (GSVG) or Bauern-Sozialversicherungsgesetz (BSVG), you are entitled to a deductible amount.

British pensions

Dutch pensions

German pensions

Italian pensions

Pensions from another country

If you received a pension from another country, other than an Austrian, British, Dutch, German or Italian pension, and you think you are entitled to claim a deductible amount, complete a Request for a determination of the deductible amount of UPP of a foreign pension or annuity.

D12 - Personal superannuation contributions

You may be able to claim a deduction for personal superannuation contributions that you made to your superannuation fund or RSA provider from your after-tax income, for example, from your bank account directly to your superannuation fund.

You cannot claim a deduction for superannuation contributions paid by your employer directly to your superannuation fund or RSA provider from your before-tax income such as:

- the compulsory superannuation guarantee
- salary sacrifice amounts
- reportable employer superannuation contributions shown on your annual payment summary.

The 2022–23 concessional contributions cap is $27,500.

D13 – Deduction for project pool

You may be able to **claim a deduction** at this item for capital expenditure allocated to a project pool for a project you:

- operated in 2022–23 for a taxable purpose
- carried on, or proposed to carry on, for a taxable purpose which was abandoned, sold or otherwise disposed of in 2022–23, before or after it started to operate.

You **cannot claim a deduction** at this question for:

- private or domestic expenditure such as the cost of constructing a driveway at your home
- capital expenditure directly connected with a project undertaken in carrying on a business.

D14: Forestry managed investment scheme

You may be able to claim a deduction for payments made to an FMIS if you:

- currently hold a forestry interest in an FMIS, or held a forestry interest in an FMIS during the income year
- have paid an amount to a forestry manager of an FMIS under a formal agreement.

Can claim if:

- You can only claim a deduction at this item if the forestry manager has advised you that the FMIS satisfies the 70% direct forestry expenditure rule in Division 394 of the Income Tax Assessment Act 1997.

Cannot claim if:

- If you are an initial participant, you cannot claim a deduction if you disposed of your forestry interest in an FMIS within 4 years after the end of the income year in which you first made a payment.

D15 : Other deductions

- Deductions not claimable under D1 to D14 or elsewhere in your tax return 2023 can be claimed in D15 -other deductions. For examples:

1. Election expenses.
2. Income protection, sickness and accident insurance premiums
3. Other expenses.

Following expenses cannot be claimed:

- expenses relating to your work as an employee
- expenses relating to income from carrying on a business as a sole trader (including personal services income or as a share trader)
- expenses relating to investment planning and advice involving shares, unit trusts and interest-bearing deposits
- losses from the disposal of shares or real property that are capital in nature.