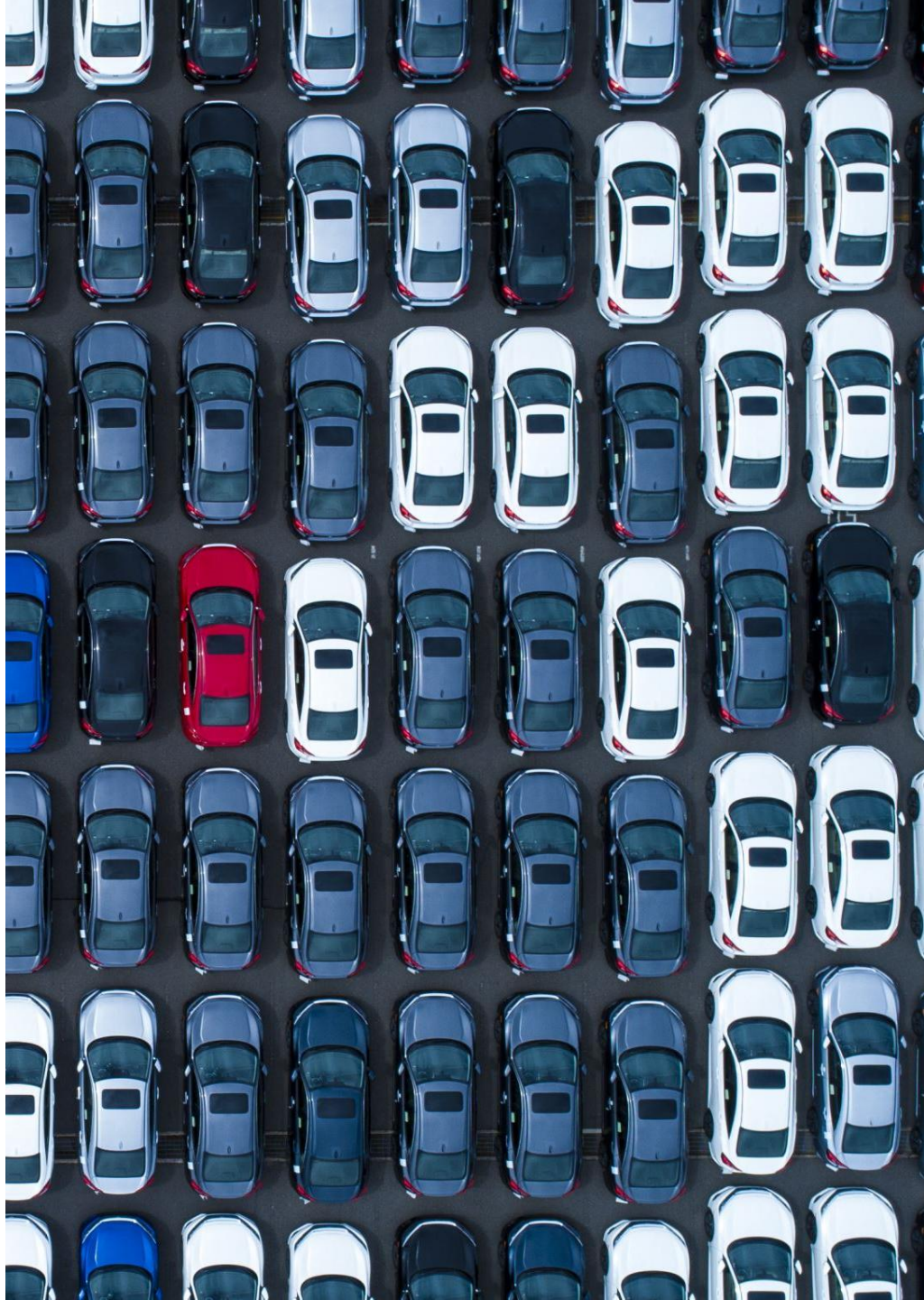
ATO Deductions D1 to D15

D1 Work related car expenses

- When to claim:
- If you incurred any car expenses as an employee for a car owned, leased and hired
- Point to be noted: The car needs not to be register in the client name



Not to claim:



Expenses related to MV



Vehicle with a carrying capacity of one tonne or more or carrying 9 or more passenger such as utility truck and panel vans

2 Methods



CENT PER KILOMETRES METHOD (COMMONLY USED)



LOGBOOK METHOD

Cent per kilometres method

We can claim maximum of 5000 kms @ 0.88 cents

And this cent will get revised by ATO every year (in FY2024-2025 it will be 0.88 cents)

We do not need any written evidence for the kilometres claimed

Steps to calculate

1

Calculate work related kilometres (max 5000 kms)

2

Then multiply by 0.88 cents

3

Question Time



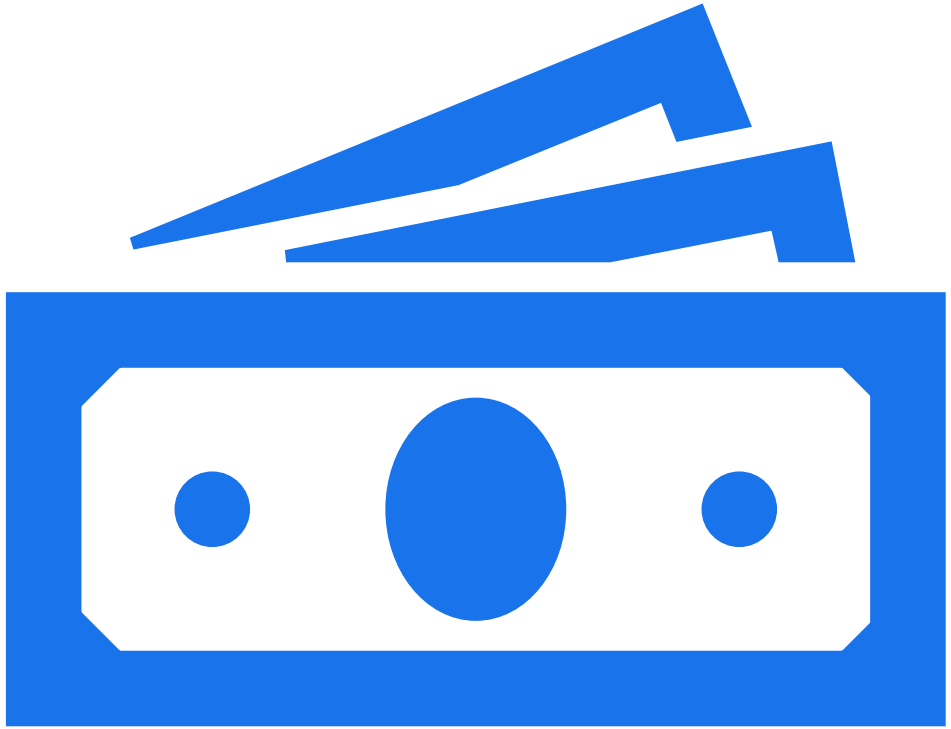
- Meera had a car which she used to travel for work 10,000 km in performing her job during 2023-2024, she doesn't have any written evidence, please calculate her work related car expenses claimable amount??

Logbook Method

YOUR CLAIM WILL BE BASED ON THE WORK RELATED USE PERCENTAGE OF THE CAR



What expenses to be covered



EXPENSES INCLUDE RUNNING COST LIKE FUEL, OIL, REPAIR AND MAINTENANCE ETC,

Evidence



LOGBOOK



ODOMETER READINGS

Logbook period

- Logbook is valid for 5 years, if this Is first year you are using this method, you must kept an logbook for a continuous 12 weeks



Content of Logbook

- Date the journey begans
- Odometer readings at start and end of journey
- Reason for journey
- Make, model and registration number of the car

Steps to calculate



Calculate actual expenses related to car expenses



Then calculate work related % based on logbook



Then claimed actual expenses upto to work related %

Question Time

Mani maintained an logbook for the FY23-24, in that it seems the total business kms is 10,000 from that 7000 kms related to work , and the actual expenses are

Fuel and oil- 1000

Repair and maintenance - 800

D2- Work related travel expenses

When to claim

If you incurred any travel expenses in the course of performing your work as an employee

What to claim



Public Transport, air travel and taxi fares



Parking fees, bridge and road tolls



Meal, accommodation expenses incurred while away overnight for work



Motorcycle expenses and vehicle carrying capacity of one tonne or more or carrying 9 or more passengers such as utility truck and panel vans

Can't claim

In the following circumstances, we can't claim meal, accomodation expenses

Personal circumstances

Changes in regular place of work

D3- Work related clothing, laundry and dry cleaning expenses

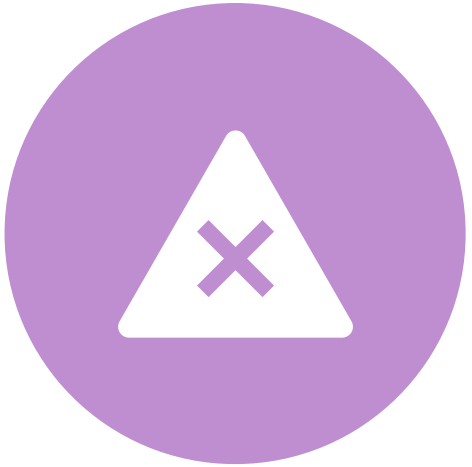
What to claim:

Protective clothing and footwear like fire resistant clothing, sun protection clothing, safety coloured vest, gloves, heavy duty shirt and trousers (but not jeans)

Criteria



PROTECT YOU FROM RISK OF ILLNESS



PREVENT DAMAGES TO YOUR WORK CLOTHES, CAUSED BY YOUR WORK ENVIRONMENT

Types of protection clothing



1) Non – compulsory uniform (employer has registered on the register of approved occupational clothing)



2) Compulsory uniform (employer logo permanently attached to it)



3) occupational specific clothing (like doctors coat)



It also includes laundry expenses

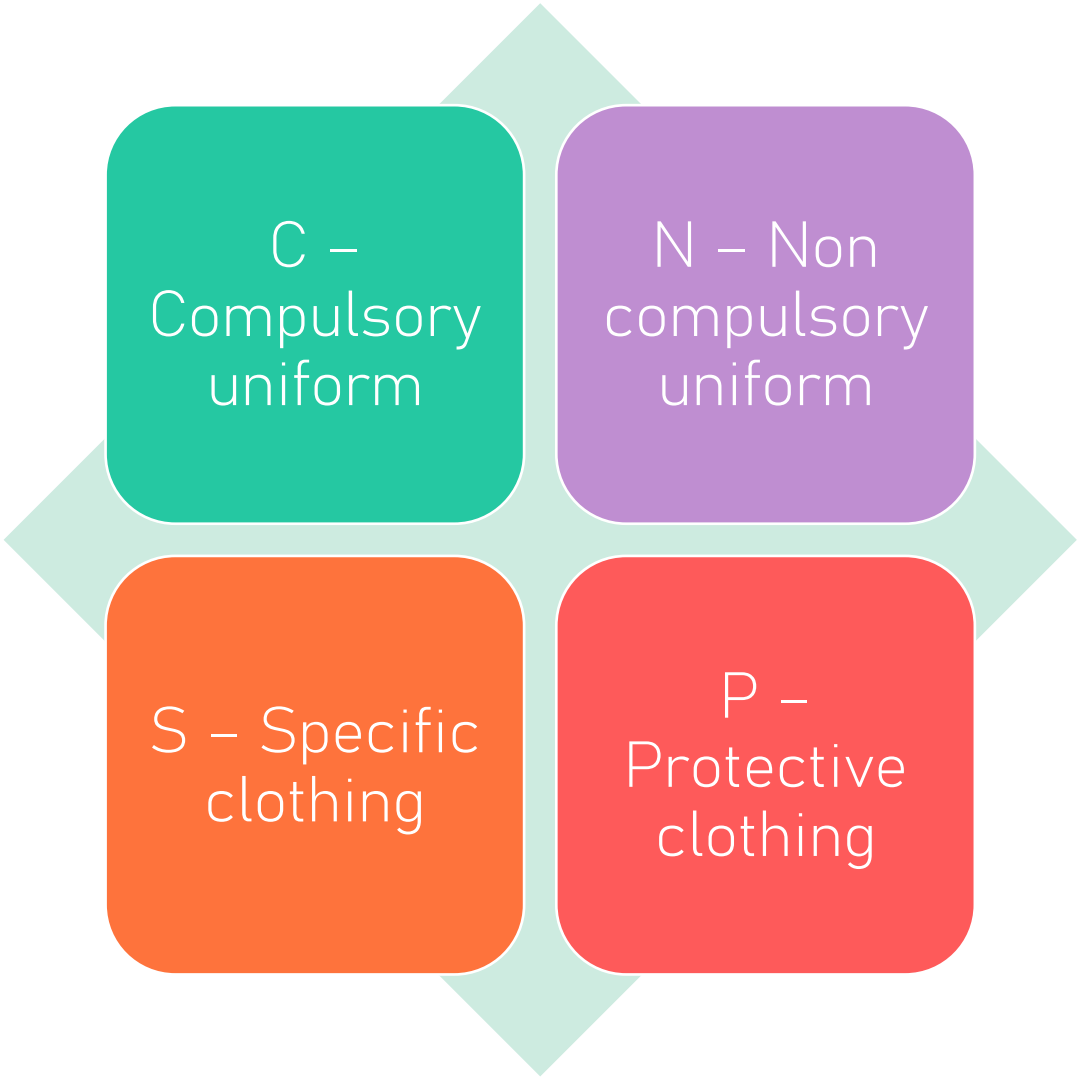
How much to claim

Laundry – $ 150 without written evidence

Total work related clothing expenses upto $ 300 can be claimed without written evidence

Point to be noted: the total $300 for claimable amount without written evidence (includes of $150 for laundry and it not like 300 + 150)

Codes for various clothing



D4 Work related self education expenses

- When to claim:
- If you incurred any expenses related to self education expenses that relates to your work as an employee



Expenses to be include:



Improved skill or specific knowledge development related to current work



Likely to increase income

Not to claim:



THE COURSE RELATED ONLY IN A GENERAL WAY



COURSES WHICH LEADS TO SHIFT IN JOB

Cost to claim



Courses at educational institutions



Undertaken a course by an professional or industry



Work related seminars



Study tours

What to claim



TUITION FEES



TRAVEL EXPENSES



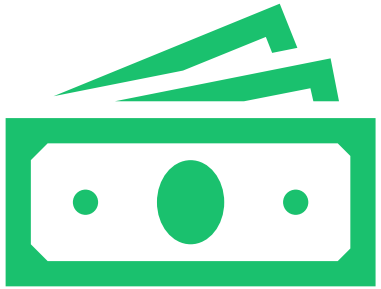
Can’t claim

HELP (HIGHER EDUCATION LOAN PROGRAM)

Evidence



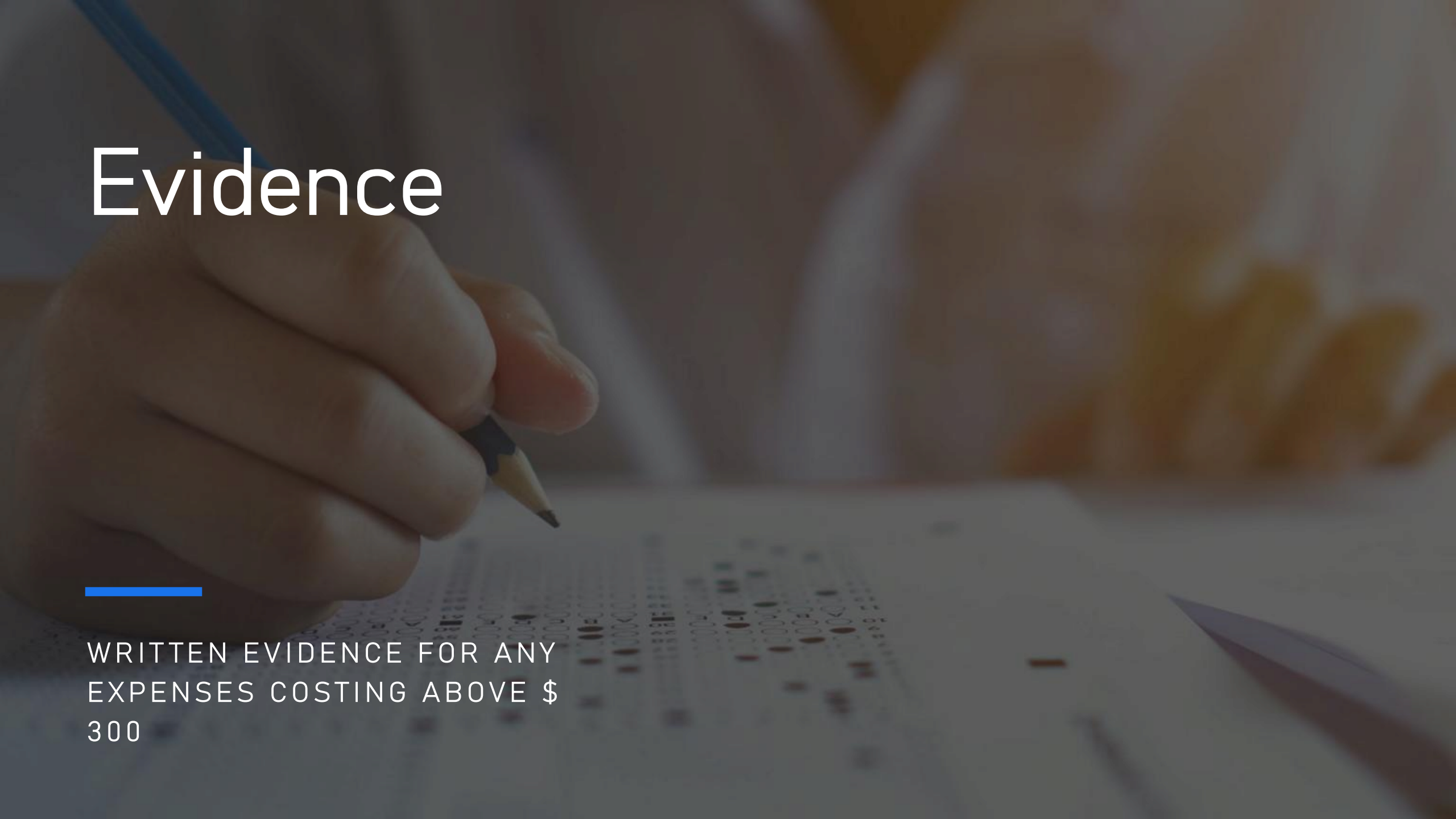
Written evidence



Tuition Fees Receipt

D5- Other work related expenses

- When to claim:
- If you incurred any other work related expenses as an employee which can't be claimable above
- Union fees
- Subscription to professional association
- Overtime meal expense
- Tools or equipment less than 300 (immediate written off)
- Work related things like (hat, protective glasses)
- Phone and internet expenses (if home office expenses doens't claimed separately)



Evidence

WRITTEN EVIDENCE FOR ANY EXPENSES COSTING ABOVE $ 300

Home office expenses (important one)



Calculated based on two methods:



Fixed rate method (0.70 cents does not include depreciation expenses)



Actual cost method (electricity, phone , internet etc)

Difference between fixed rate and actual cost

- We don't need an dedicated work place for claiming home office expenses in fixed rate method whereas we need an dedicated work place to claim home office expenses under actual cost method

Can't claim



Entertainment, fines and penalties



Coffee, milk and tea



Occupancy expenses like rent, mortgage interest, council rates etc

Question Time



JOHN NEEDS TO CALCULATE HIS WORK FROM HOME EXPENSES, HE WORKED PERMANENTLY FROM HOME

D6- Low value pool deduction



Deduction for decline in value (written down method)of low cost and low value asset



Asset which use to produce assessable income



Low cost asset – asset that cost less than $1,000



Low value asset – Depreciating asset which has an adjustable opening value less than $1,000



You can only have one low value pool at a time

Asset to be include:

WHICH YOU USED FOR WORK EMPLOYMENT



Can't claim:

- Asset which you have previously claimed deduction by using the prime cost method
- Asset which cost less than $300
- Horticultural plant
- A portable electronic devices like laptop, mobile, printer) for which employer paid or reimburse for it)

Generally applicable rate – 37.5%



Question Time



Edward bought an printer for $600, his employer do not pay for it, he decides to add in low value pool and it's generate upto 40% of assessable income



Edward has an another asset computer value $ 1,500, his employer does not pay for it, he already claimed depreciation in previous year under WDV for $700, how much will be the claimable amount for the current year??

D7 – Interest Deduction

- When to claim
- Interest expense incurred for producing interest income



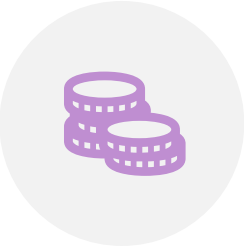
Amount to be include:



BANK AND OTHER FINANCIAL INSTITUTIONS (ACCOUNT KEEPING FEES)



MANAGEMENT FEES RELATED FOR INVESTMENT ADVICE



INTEREST YOU PAID ON MONEY YOU BORROWED TO PURCHASE INCOME PRODUCING INVESTMENT



Proof

- Bank or financial institutions statement or passbook

Point to be noted:

- If you have any joint account or other interest earning investment, claim the share of joint expenses (eg: 50% of expense)



D8- Dividend Deductions



To claim a deduction for dividend expenses, you must incur expenses in earning any income from dividends and distributions. Dividends and distributions income are amounts or credits you receive from Australian companies or as participant in a dividend reinvestment plan.

WHAT YOU CAN CLAIM:

- Management fees and fees for investment advice relating to changes in the mix of your investments
- Interest you pay on money you borrow to buy shares or similar investments
- Costs relating to managing your investments, such as travel and buying specialist investment journals or subscriptions.

WHAT YOU CAN'T CLAIM:

- Financial advice you receive from someone who isn't either a:
- tax agent with a current Tax Practitioners Board registration
- Qualified tax relevant provider with a current Australian Securities and Investments Commission registration

D8- Dividend Deductions

- some interest expenses where you borrow money under a capital protected product or borrowing
- brokerage fees and other transaction costs.



D9- GIFTS OR DONATIONS 2025

To claim a deduction for gifts or donations you make, you need a receipt from an organisation that has a deductible gift recipient (DGR) status.
Your receipt will usually indicate whether you can claim a deduction for the gift or donation. If you're not sure, you can check with the organisation. If you're still not sure, go to abn.business.gov.auExternal Link to find out whether the organisation is an approved organisation.

Approved DGR organisations include:

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

What you can claim

The amount you can claim as a deduction depends on the type of gift. You can claim a deduction for:
voluntary gifts of money $2 or more made to an approved DGR organisation, including

- net contributions of more than $150 for a fund-raising event (for further conditions, see Special circumstances 2025)
- donations you make through your employer's payroll system (known as 'workplace giving')
- bucket donations

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 2024–25 or, in limited circumstances, had been an independent member

a donation to an approved DGR organisation of shares listed on an approved stock exchange that

- are valued at $5,000 or less
- you acquired at least 12 months before making the gift

a donation to a private ancillary fund
entering into a conservation covenant.

What you can't claim:

- Something in return (For Eg: raffle tickets or dinner, except in certain fund-raising events

D10 COST OF MANAGING TAX AFFAIRS



To claim a deduction at this question you must incur expenses for managing your tax affairs, including:

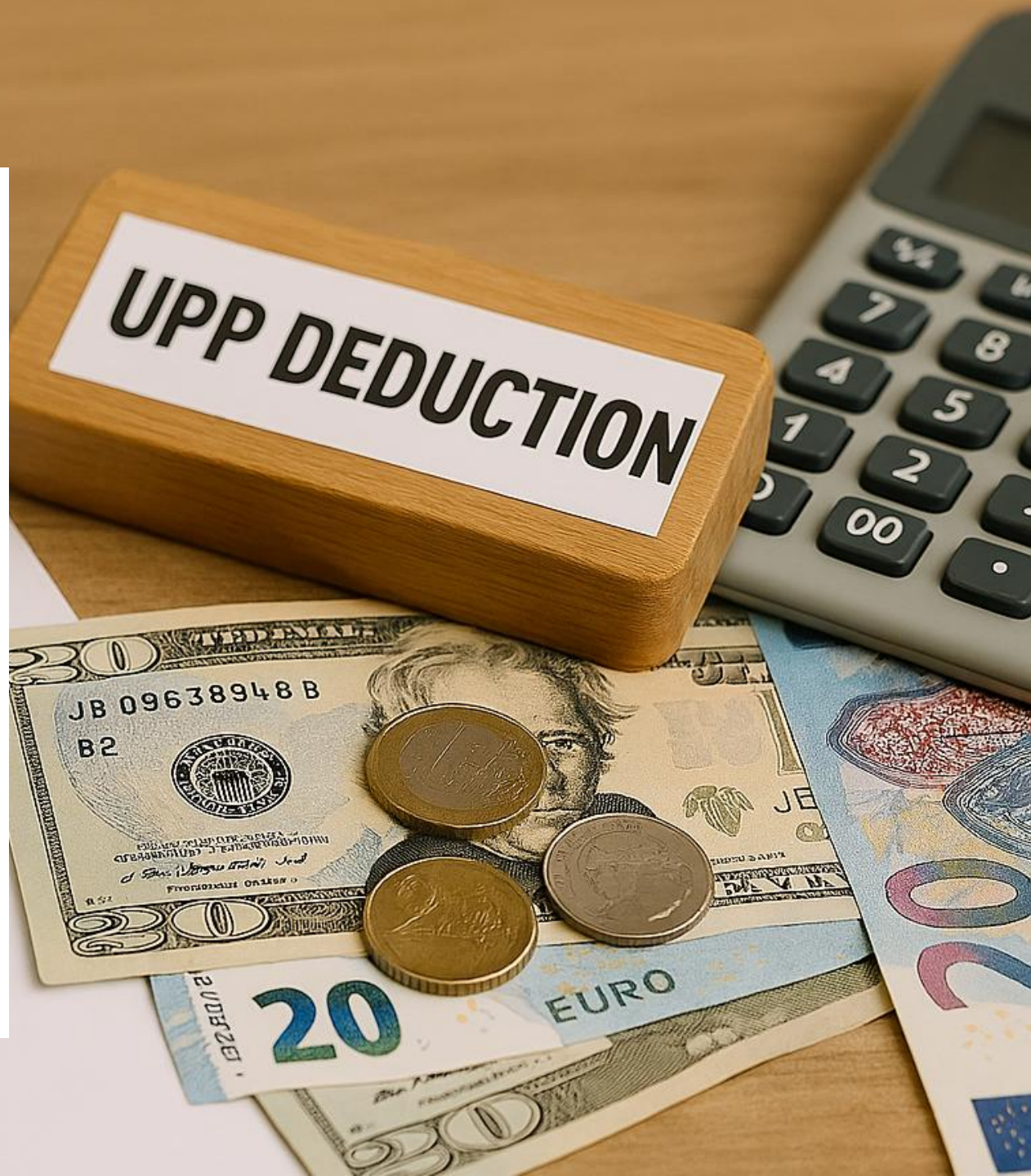
- the preparation and lodgment of your tax return and activity statements, including the costs associated with
- buying tax reference material
- tax return preparation courses
- lodging your tax return through a registered tax agent

- Litigation costs you incur in managing your tax affairs, including:
- Court fees
- Administrative Review Tribunal fees (previously Administrative Appeals Tribunal)
- Solicitor, barrister and other legal costs.
- Certain interest charges we impose on you
- Amounts we charge you for underestimating a varied goods and services tax (GST) instalment or pay as you go (PAYG) instalment

What you Can't Claim:

- Tax shortfall and other penalties for failing to meet your obligations
- Tax advice you receive from a person who isn't a recognised tax adviser
- Receiving financial advice that isn't in relation to managing your tax affairs.

D11 DEDUCTIBLE AMOUNT OF UPP OF A FOREIGN PENSION OR ANNUITY 2025



If you show income from a foreign pension or annuity at question 20 – label D, you may be entitled to claim a deduction to reduce the taxable amount of the pension or annuity income if it has a undeducted purchase price (UPP). Only some foreign pensions and annuities have a UPP. The UPP is the amount you contribute towards the purchase price of your pension or annuity (your personal contributions).

Austrian pensions

You can claim a deductible amount if you're entitled to receive an age, premature age, invalid, disability, widowed persons or orphans pension an Austrian super insurance fund pays under one of the following:

- Austrian social insurance acts
- Allgemeines Sozialversicherungsgesetz (ASVG)
- Gewerbliches Sozialversicherungsgesetz (GSVG)
- Bauern-Sozialversicherungsgesetz (BSVG).

British pensions

If you're entitled to receive a pension from the United Kingdom State Pension (previously the British National Insurance Scheme), you may be entitled to a UPP deduction.

- **Category A or B pension**: UPP deduction is **8% of the pension (AUD)**, or calculated exactly by lodging a determination request. If you want to calculate your UPP using the exact method, you'll need to complete a Request for a determination of the deductible amount of UPP of a foreign pension or annuity
- **Category C or D pension**: No UPP deduction applies.

Italian pensions

If you receive an **Italian government pension**, you'll be issued an **Article 10 letter** each year showing your estimated pension income and contributions. If you can't calculate your deductible amount, you must lodge a Request for a determination of the deductible amount of UPP of a foreign pension or annuity



D12 Personal superannuation contributions 2025

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

What you Can't Claim

You **can't** claim a deduction for super contributions your employer pays directly to your super fund or RSA provider from your **before-tax** income such as:

- the compulsory super guarantee
- salary sacrifice amounts
- reportable employer super contributions that show on your annual payment summary.

Eligibility to claim a deduction

- you satisfy the work and age restrictions
- you give a valid notice of intent to your super fund or RSA provider, in the approved form, and advise them of the amount you intend to claim as a deduction

When you can't claim a deduction

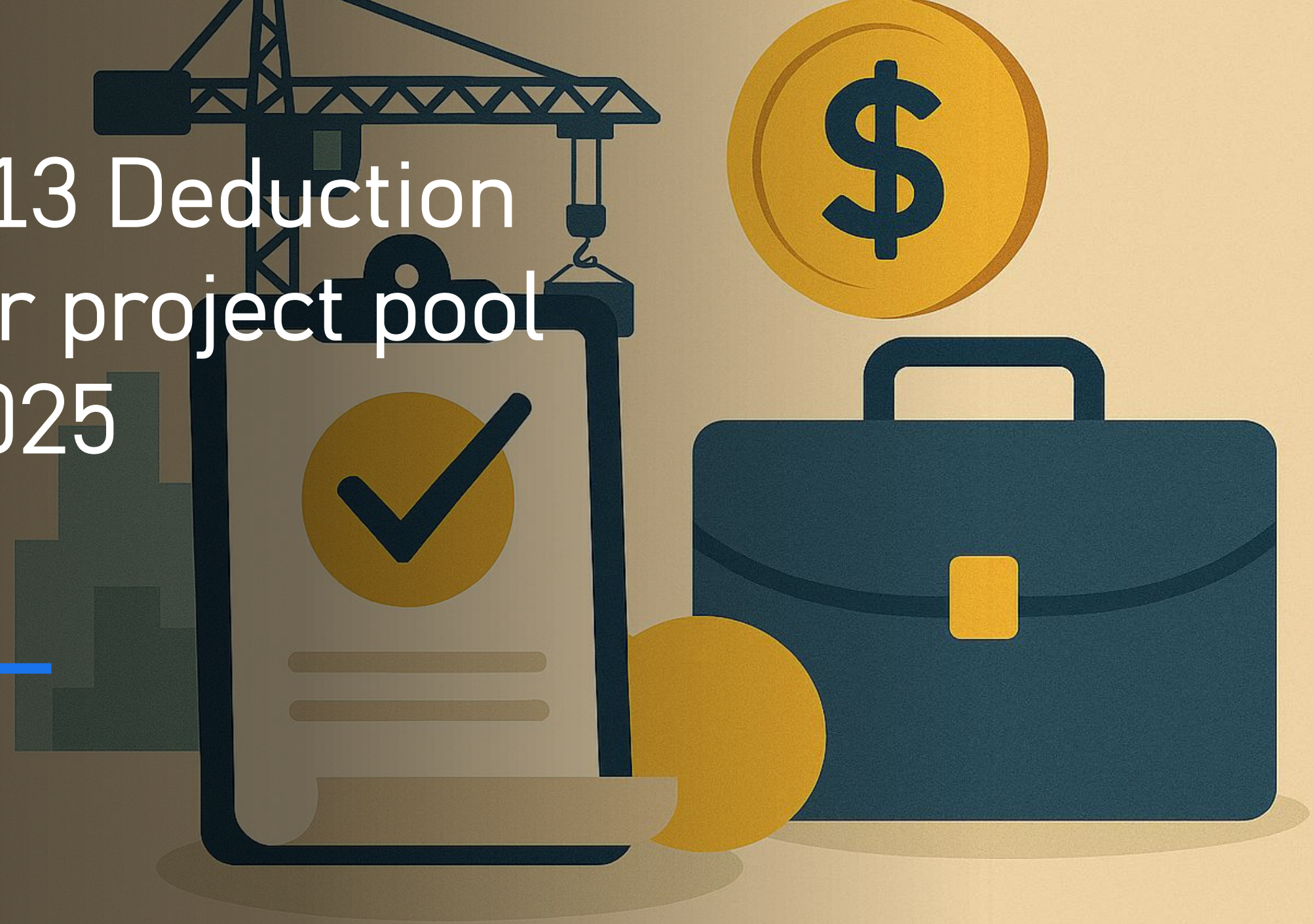
i) your personal super contributions your super fund or RSA provider doesn't receive the contributions before 1 July 2025 –claim contributions the super fund or RSA provider receives **after** 30 June 2025 as a deduction in 2025–26, even if you post a cheque, or initiating a direct debit before 30 June 2025

ii) you make the contributions more than 28 days after the end of the month in which you turn 75 years old

The 2024–25 concessional contributions cap is $30,000.

For 2024–25, the annual non-concessional contributions cap is **$120,000** if your total super balance on 30 June 2024 is less than $1.9 million.

D13 Deduction for project pool 2025



D13 Deduction for project pool 2025

You may be able to claim a deduction at this question for capital expenditure you allocate to a project pool for a project you :
i) operate in 2024–25 for a taxable purpose
ii) carry on, or propose to carry on, for a taxable purpose which is abandoned, sold or otherwise disposed of in 2024–25, before or after it starts to operate.

When you can't Claim:

i) private or domestic expenditure, such as the cost of constructing a driveway at your home

ii) capital expenditure that directly connects with a project you undertake in carrying on a business.

D14 Forestry managed investment scheme deduction 2025



D14 Forestry managed investment scheme deduction 2025

You may be able to claim a deduction at this question for payments you make to a forestry managed investment scheme (FMIS) if you:

- currently hold a forestry interest in an FMIS, or hold a forestry interest in an FMIS during the income year 2024–25

- pay an amount to a forestry manager of an FMIS under a formal agreement.

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

D15 Other deductions not claimable elsewhere in your tax return 2025



D15 Other deductions not claimable elsewhere in your tax return 2025

You may be able to claim a deduction for expenses that you haven't been able to claim elsewhere in your tax return.

If you don't have any other expenses that you haven't been able to claim as a deduction at questions **D1** to **D14** or elsewhere in your tax return, go to Total supplement deductions 2025.

You may claim at this question:
•election expenses for local, territory, state or federal candidates
•income protection, sickness and accident insurance premiums
•foreign exchange losses
•expenses relating to income you earn from the sharing economy or other marketplace which you don't derive from carrying on a business or as an employee of the digital platform
•debt deductions you incur in earning assessable income that aren't disallowed under the thin capitalisation rules and didn't claim them elsewhere
debt deductions you incur in earning certain foreign non-assessable non-exempt income that aren't disallowed under the thin capitalisation rules

- deduction for the net personal services income (PSI) loss of a personal services entity that relates to your PSI
- certain deductible capital expenditure you didn't claim in full before ceasing a primary production business where a deduction can be claimed in a subsequent year or years.

Expenditure deductible over 5 income years

Claim a section 40-880 deduction at this question if either:

- you incur the relevant capital expense, and the following apply
- the expenditure relates to a business that is proposed at the time you incur the expense
- the business commences by 30 June 2025
- you're carrying on the business through a company or trust

Certain start-up expenses

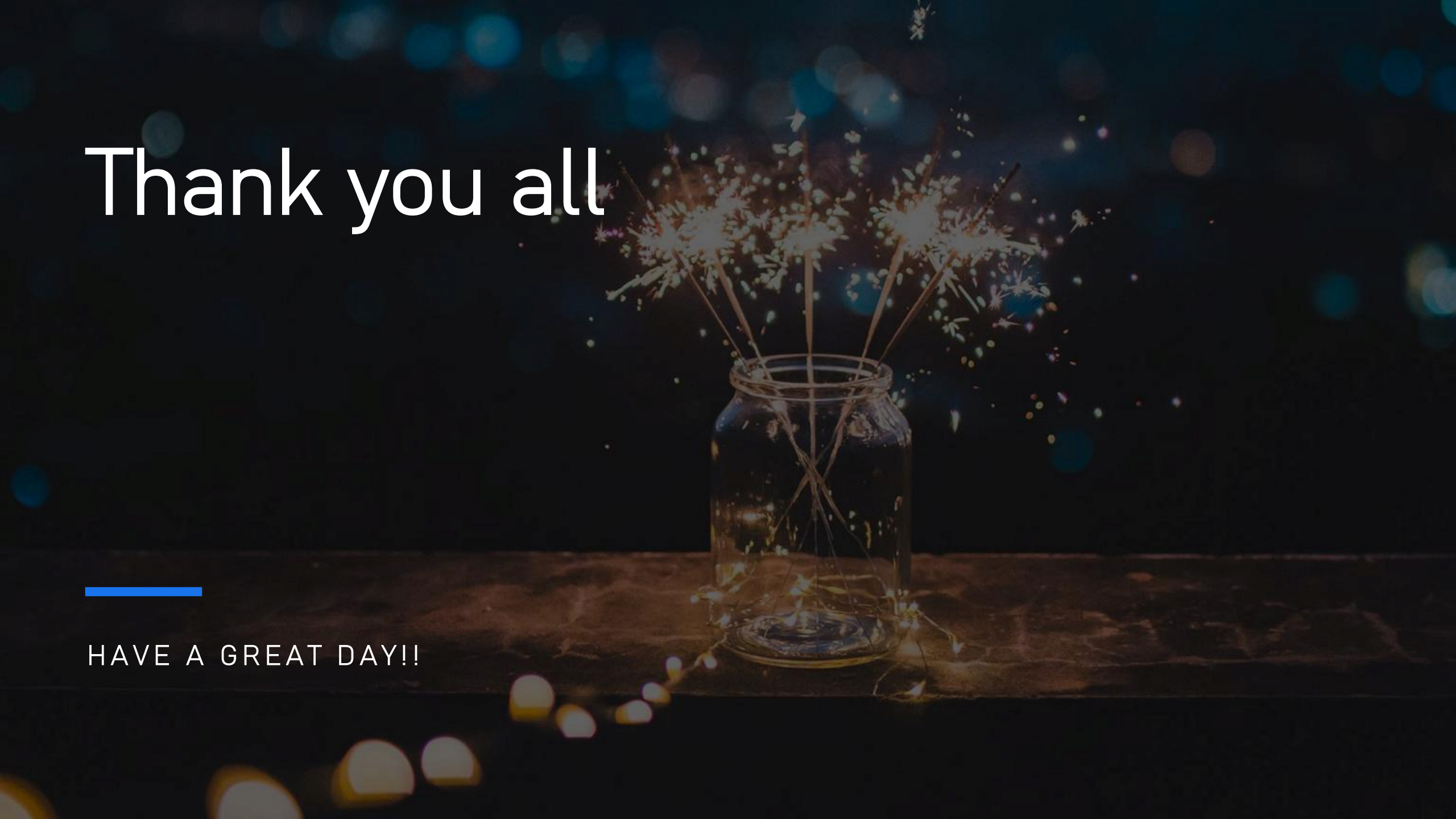
Section 40-880 of the ITAA 1997 allows a taxpayer who isn't in business, or who is a small business entity, to immediately deduct certain start-up expenses relating to the structure or operation of a business that you propose to carry on.

This was extended to medium businesses for expenses incurred from 1 July 2020.

Expenditure is fully deductible in the income year in which you incur it, if:

•you're a small or medium business entity, or you aren't in business during the income year, and

•it relates to a business that you propose to carry on


Thank you all
HAVE A GREAT DAY!!