

## Client Discussion Paper

### DEDUCTION CLAIMS & DECLARING SUMMARY FOR INDIVIDUALS

Individual tax – Income you must declare, and deductions you may be able to claim

Most income earners need to lodge an individual tax return each year. The below information is intended to provide guidance to enhance your understanding of what income you must declare, and what deductions you may be able to claim to minimise your taxation obligation.

It includes information from, and links to the Australian Taxation Office (ATO) website, which contains further detail. The ATO website (ato.gov.au) also contains easy-to-use tax calculators, and general information on other tax topics such as superannuation.

### INCOME

Your income is declared on your tax return each year. Most of this information is pre-filled from details we receive from employers and financial institutions, but there is some you will need to record manually.

Regardless of whether your income is pre-filled or manually entered, you need to make sure it is accurate and complete.

The links below provide information on the types of income you need to declare:

- [Employment income](#)
- [Super pensions, annuities and government payments](#)
- [Investment income \(including interest, dividends, rent and capital gains tax\)](#)
- [Business, partnership and trust income](#)
- [Foreign income](#)
- [Crowdfunding](#)
- [Other income](#) - including compensation and insurance payments, discounted shares under employee share schemes, and prizes and awards.

See also:

- [Amounts not included as income](#)

### DEDUCTIONS

When completing your individual tax return, you're entitled to claim deductions for some expenses, most of which are directly related to earning your income.

#### Work-related expenses

To claim a work-related deduction:

- you must have spent the money yourself and weren't reimbursed
- it must directly relate to earning your income
- you must have a [record](#) to prove it.

If the expense was for both work and private purposes, you can only claim a deduction for the work-related portion. Work expenses reimbursed to you by your employer are not deductible.

The ATO can seek information from your employer if they think you have claimed a deduction for an expense that you have already been reimbursed for.

You may be able to claim a deduction for expenses that directly relate to your work, including:

- [Vehicle and travel expenses](#) – including travel between work and home
- [Clothing, laundry and dry-cleaning expenses](#) – this includes the purchase of some work uniforms
- [Home office expenses](#)
- [Mobile phone, internet and home phone expense](#)
- [Overtime meals](#)
- [Self-education expenses](#) – these must be directly related to your employment
- [Tools, equipment and other equipment](#)
- [Other work-related deductions](#).- there are some deductions that you may not have thought of, such as income protection insurance, and working with children checks

Employees (including casuals) can claim work-related expenses in the financial year they are incurred. This is the case even if you start employment in June but don't receive income until the next financial year, you can claim deductions for work-related expenses incurred in June.

If you employ someone to assist you in your employment, you cannot claim a deduction for employing that person.

## Other deductions

You may also be able to claim a deduction for:

- [Cost of managing tax affairs](#)
- [Gifts and donations](#)
- [Interest, dividend and other investment income deductions](#)
- [Personal super contributions.](#)

## Deductions for specific occupations

To find out what deductions you can claim for work-related expenses in your industry or occupation, see [Deductions for specific industries and occupations.](#)