



REAL ESTATE PROFESSIONAL

DEDUCTIONS YOU CAN CLAIM

CAR EXPENSES

- ✓ **You can claim** a deduction when you are:
 - ▶ Driving between separate workplaces (eg a second job)
 - ▶ Driving to and from an alternate workplace for the same employer (eg travelling between two different residential open homes)

✗ **You can't claim** the cost of trips between home and work, even if you live a long way from your usual workplace or have to work outside normal business hours – eg to attend a weekend auction.

here are limited circumstances where you can claim the cost of trips between home and work, such as where you carry bulky tools or equipment for work – eg a large 'for sale' sign and tools to erect it. The cost of these trips is deductible only if:

- ▶ your employer requires you to transport the equipment for work
- ▶ the equipment was essential to earning your income
- ▶ there was no secure area to store the equipment at the work location, and
- ▶ the equipment is bulky – at least 20kg or cumbersome to transport.

If you claim car expenses, you need to keep a logbook to determine the work-related percentage, or be able to demonstrate to the ATO a reasonable calculation if you use the cents per kilometre method to claim.

TRAVEL EXPENSES

- ✓ **You can claim** a deduction for travel expenses if you have to travel overnight from your usual work location – eg traveling to a remote area to inspect a property – provided the cost was incurred while carrying out your work duties. Travel expenses may include meals and accommodation, fares, petrol and incidentals such as parking fees and tolls.

✗ **You can't claim** Receiving a travel allowance from your employer does not automatically entitle you to a deduction. You still need to show that you were away overnight, you spent the money yourself, and the travel was directly related to earning your income – eg it was not a personal expense.

OTHER COMMON DEDUCTIBLE WORK-RELATED EXPENSES

- ✓ **Other expenses you can claim a deduction for include:**
 - ▶ marketing equipment – eg the work-related portion of cameras used for property photos
 - ▶ decorating properties – eg flowers
 - ▶ renewing your annual Certificate of Registration
 - ▶ union and professional association fees
 - ▶ technical or professional publications

CLOTHING EXPENSES

- ✓ **You can claim** a deduction for the cost of buying, hiring, mending or cleaning certain uniforms that are unique and distinctive to your job eg clothing items you're required to wear which have a logo that is unique and distinctive to your employer.
- ✗ **You can't claim** a deduction for the cost of buying or cleaning plain clothing worn at work, even if your employer tells you to wear it and even if you only wear it for work, eg black pants and a white shirt.
- ✗ **You can't claim** a deduction for hairdressing, cosmetics, hair and skin care products, even if your employer tells you to use them, or you are required to be well-groomed.

HOME OFFICE, PHONE AND INTERNET EXPENSES

- ✓ **You can claim** a percentage of the running costs of your home office if you have to work from home, including depreciation of office equipment, work-related phone calls and internet access charges, and electricity for heating, cooling and lighting costs.

If you are required to purchase equipment for your work and it costs more than \$300, you can claim a deduction for this cost spread over a number of years (depreciation).

✗ **You generally can't claim** the cost of rates, mortgage interest, rent and insurance.

TO CLAIM A DEDUCTION FOR WORK-RELATED EXPENSES

You can only claim the work-related part of expenses. You can't claim a deduction for any part of the expense that relates to personal use.

- ✓ You must have a record to prove it.
- ✓ You must have spent the money yourself and weren't reimbursed
- ✓ It must be directly related to earning your income

