



Top Tax Deductions for those in the Medical Profession

Doctors and those in the medical profession work hard to make sure others are healed, but when it comes to tax, some tax returns are sicker than others. Your tax might be due for a health check up.

Come tax time, there are a range of tax claims people working in the medical industry can make. Many are overlooked, but you can save yourself a lot of money if you're aware of what you can claim.

Car

If your job has you on the road, especially trips to rural offices, between hospitals or surgeries, or conferences and use your personal car for these work-related trips, you'll be able to make some tax deductions. There are two methods to make your claim: The 'log book method' and the 'cents per kilometre' method

Logbook

Using the logbook method, you'll be able to claim expenses on fuel, maintenance, cleaning and parking. The logbook method provides a way to work out the percentage of work-related costs and can be claimed on each car you use (if more than one). If you use the logbook method, you'll need to make a note of the date travelled, the odometer reading before and after your trip and kilometres travelled, the reason for your travel.

You need to make a note of these trips for 12 consecutive weeks, which will then be averaged throughout the year to work out your annual expenses. Your fuel and oil expenses are calculated into the

average cost if you use this method. If you use more than one car, you'll need to keep a separate logbook for each car and logbooks for each must be kept in the same time period.

Cents per kilometre

A single rate of 68 cents per kilometre travelled up to 5,000 kilometres per year per car can be claimed on your work-related trips. Keep your receipts and a travel diary. The ATO will ask for written evidence that the kilometres travelled were for work.

There are limited times when you can claim the trip between your home and work such as carrying heavy or bulky tools and equipment for work. You can claim these costs if:

- Your employer asked you to carry the items for your work
- The equipment was essential to earning your income
- There was no secure storage for the equipment at work

The equipment must be bulky. The ATO states that it must be 20 kg and over to be considered big and cumbersome enough to make this tax deduction.

Travel

Travel expenses for your job can include the cost of parking, tolls, taxis and public transport to attend seminars, meetings, or training courses not held at your

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workplace, as well as larger interstate or international trips. You'll also be able to claim accommodation, meals and other incidentals pertinent to your stay.

Keep your receipts! Doctors and those in the medical profession don't keep regular working hours and often work overtime. If you have and your employer hasn't reimbursed you for your expenses, keep your receipts as you can claim the cost of your meals and incidentals.

Pro tax tip: You can keep your receipts electronically provided that it is a true and clear reproduction of the original.

Clothing

Those in the medical profession often wear distinctive and specialist clothing. This includes special footwear and protective items you might have purchased for work. If these aren't provided by your employers, you'll be able to claim this as an expense. Included in this category is the cost of maintaining, cleaning and repairing your work clothes.

Home Office

A common expense for those in the medical profession are phone calls and internet expenses. A percentage of work-related use can be calculated into your deductions. If you work at home, you can apportion a cost of your running expenses, such as heating, cooling, furniture, stationery, laptops, iPads and other electronic gear. The ATO allows a percentage of costs for hours worked in the home during the financial year. In order to claim this, we need an estimate of the number of hours worked at home. You'll also be able to claim cleaning and repairs done to your home office.

Education

Those in the medical profession are expected to continue their education for their careers and usually accumulate significant tax deductions, such as:

- Course fees
- Materials for do the course
- Textbooks

- Computer/ phone / internet
- Student service fees
- Travel expenses to get to the course

Membership

Memberships, journal subscriptions, medical registration fees, trade union fees, as well as work-related books, magazines and journals can be added to the list of tax deductible claims.

Insurance

Those in the medical profession maintain professional insurance. Other types of insurance include:

- Income protection insurance
- Cover for audits and inquiries
- Tax audit cover

Some types of insurance are not tax deductible. It's best to speak with your tax professional to work out what insurance costs you can claim against your assessable income.

Three golden rules

The ATO has three golden rules when it comes to deducting claims:

1. You must have already incurred the expense
2. The expense must be work-related
3. You must be able to prove your claim

Doctors and those in the medical profession have a large number of work-related costs that can be claimed to lower the total amount of tax that need to be paid on your income. It's a good idea to track your expenses throughout the year.

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