

2020

Tax Time Toolkit

Health



Australian Government
Australian Taxation Office

Helpful occupation guides and information for tax time

We encourage you to share this information with your staff, clients, members and networks.

The following pages contain practical and tailored information to help anyone in the health care industry understand what they can and can't claim in their tax return.

You'll find tips for doctors, specialists, nurses, cleaners and carers as well as 'ready to use' messages you can adapt for your own communication channels.

Occupation guides:

- [Doctor, specialist or other medical professional](#)
- [Nurse, midwife or carer](#)
- [Cleaner](#)
- [Office worker](#)

Common claims:

- [Self-education expenses](#)
- [Gifts and donations](#)

Ready-to-use messages:

- [Social media posts](#)
- [Article](#)

If you're a Doctor, specialist or other medical professional, it pays to learn what you can claim at tax time



To claim a deduction for work-related expenses

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

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 can use the ATO app myDeductions tool to keep track of your expenses and receipts throughout the year.

Car expenses



- ✓ **You can claim** a deduction when you:
 - drive between two separate jobs on the same day – eg driving between house calls
 - drive to and from an alternate workplace for the same employer on the same day – eg travelling to different hospitals or medical centres.
- ✗ **You generally 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 when working on call.

There are limited circumstances where you can claim the cost of trips between home and work, such as where you are required to carry bulky tools or equipment. 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.

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 a compulsory doctor's uniform – or protective clothing that your employer requires you to wear – eg lab coats or surgical caps.
- ✗ 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 a business suit.

Travel expenses



- ✓ **You can claim** a deduction for travel expenses if you are required to travel overnight and don't attend your usual work location, eg travelling to a remote location to work at a clinic, provided the cost was incurred while carrying out your work duties. This could include meals, accommodation and incidental expenses that you incurred and your employer has not provided or reimbursed you.
- ✗ 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.
- ✗ You can't claim your travel expenses if you are undertaking private travel and add on a work-related component – eg while on holiday in Cairns, you notice a work-related seminar and decide to attend. In this scenario, you may claim the seminar fees, but not your travel expenses such as flights or accommodation.

Self-education expenses



- ✓ **You can claim** a deduction for self-education expenses if your course relates directly to your current job – eg continuing professional development to maintain medical registrations.
- ✗ **You can't claim** a deduction if your study is only related in a general way or is designed to help you get a new job – eg you can't claim the cost of study to enable you to move from being a paramedic to a pharmacist.
- ✗ If you undertake study where there are both work and private components – eg a cruise where continuing professional development sessions are offered – you need to apportion the expenses and only claim the work-related part.

Other common deductible work-related expenses



- ✓ Other expenses you can claim a deduction for include:
 - professional indemnity insurance
 - medical journal subscriptions and publications
 - AMA or other medical professional association membership fees
 - the work-related portion of phone expenses
 - medical equipment and insurance for that equipment.



This is a general summary only. For more information, go to ato.gov.au/occupations



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If you're a nurse, midwife or carer it pays to learn what you can claim at tax time



To claim a deduction for work-related expenses

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

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 can use the ATO app myDeductions tool to keep track of your expenses and receipts throughout the year.

Car expenses



- ✓ **You can claim** a deduction when you:
 - drive between separate jobs on the same day – eg travelling from your job as a carer to a second job as a musician
 - drive to and from an alternate workplace for the same employer on the same day – eg driving from your usual clinic to another clinic to work for the same employer.
- ✗ **You generally 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 public holiday shifts.

There 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 set of baby scales. 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.

Phone and internet expenses



- ✓ **You can claim** phone and internet usage if your employer needs you to use your personal devices for work. You can only claim the work-related portion of the use of your personal device.

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, or protective clothing, eg non-slip nursing shoes or support stockings, that your employer requires you to wear.
- ✗ **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.

Self-education expenses



- ✓ **You can claim** a deduction for self-education expenses if your course relates directly to your current job, eg wound care course.
- ✗ **You can't claim** a deduction if your study is only related in a general way or is designed to help get you a new job, eg you can't claim the cost of study to enable you to move from being a carer to being a registered nurse.

Other common deductible work-related expenses



- ✓ As long as the expense relates to your employment, **you can claim** a deduction for the work-related portion of the cost of:
 - calculators
 - union and professional association fees
 - agency commissions and agency fees, and annual practising certificate fees
 - technical or professional publications.



If you're a cleaner, it pays to learn what you can claim at tax time



To claim a deduction for work-related expenses

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

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 can use the ATO app myDeductions tool to keep track of your expenses and receipts throughout the year.

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, or protective clothing that your employer requires you to wear. This may include an apron or overalls to protect your ordinary clothes from soiling or damage, or gloves or breathing masks to provide protection from chemicals.
- ✗ **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 jeans or shoes.

Car expenses



- ✓ **You can claim** a deduction when you:
 - drive between separate jobs on the same day - eg traveling to your second job as a waiter.
 - drive to and from an alternate workplace for the same employer on the same day - eg traveling to different houses that you clean.
- ✗ **You generally 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 night cleaning shifts.

There 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 an extension ladder used for cleaning windows. 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.

Meal expenses



- ✓ **You can claim** a deduction for the cost of overtime meals on those occasions where:
 - you worked overtime and took an overtime meal break, and
 - your employer paid you an overtime meal allowance under an industrial law, award or agreement.
- ✗ **You can't claim** a deduction for the cost of meals eaten during a normal working day as it is a private expense, even if you receive an allowance to cover the meal expense.

Tools and equipment expenses



- ✓ **You can claim** a deduction for tools or equipment you are required to purchase for your job.
- ✗ **You can't claim** a deduction relating to any private use of the equipment (eg, if you have a vacuum cleaner that is used for private purposes for half of the time you can only deduct 50% of the cost) or if the tools and equipment are supplied by your employer or another person.

If a tool or item of work equipment used for work:

- cost more than \$300 - you claim a deduction for the cost over a number of years (depreciation)
- cost \$300 or less - you can claim an immediate deduction for the whole cost.

Other common deductible work-related expenses



- ✓ **Other expenses** you can claim a deduction for include:
 - union fees
 - the work-related portion of phone expenses if you have to make phone calls or send texts for work.

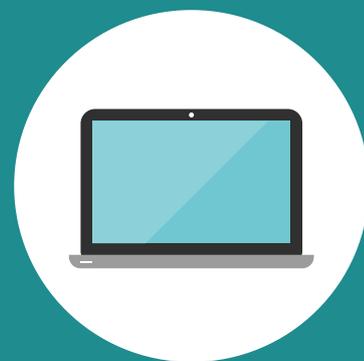


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If you're an office worker it pays to learn what you can claim at tax time



To claim a deduction for work-related expenses

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

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 can use the ATO app myDeductions tool to keep track of your expenses and receipts throughout the year.

Car expenses



- ✓ **You can claim** a deduction when you:
 - drive between separate jobs on the same day – eg from your office job to a second job as a musician
 - drive to and from an alternate workplace for the same employer on the same day – eg travelling to a different office to attend a meeting for the same employer.

- ✗ **You generally 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 having to work late to speak to a colleague in a different time zone.

There 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 large heavy filing boxes full of records you need for a particular meeting. 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.

Self-education expenses



- ✓ **You can claim** a deduction for self-education expenses if your course relates directly to your current job, eg human resource training for a manager.
- ✗ **You can't claim** a deduction if your study is only related in a general way or is designed to help get you a new job, eg a health and wellbeing course.

Travel expenses



- ✓ **You can claim** a deduction for travel expenses if you are required to travel overnight and don't attend your usual work location – eg travelling to a remote office, provided the cost was incurred while carrying out your work duties. This could include meals, accommodation, fares and incidental expenses that you incurred and your employer has not provided or reimbursed you.
- ✗ 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.

Home office 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 keep a diary of your home office usage, you can calculate your claim quickly using the home office expenses calculator.
- ✗ **You generally can't claim** the cost of rates, mortgage interest, rent and insurance.

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 – or protective clothing that your employer requires you to wear.
- ✗ **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 a business suit.

Other common deductible work-related expenses



- ✓ As long as the expense relates to your employment, **you can claim** a deduction for the cost of seminars and conferences, technical or professional publications, union and professional association fees.



This is a general summary only. For more information, go to ato.gov.au/occupations



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Self-education expenses

It pays to learn what you can claim at tax time

When can you claim?

Self-education expenses are deductible when the course you undertake has a sufficient connection:

- ✔ to your current employment and maintains or improves the specific skills or knowledge you require in your current employment, or
- ✔ results in – or is likely to result in – an increase in your income from your current employment.

When can't you claim?

You cannot claim a deduction for self-education for a course that:

- ✘ relates only in a general way to your current employment or profession, or
- ✘ will enable you to get new employment – such as moving from employment as a nurse to employment as a doctor.



Course expenses

If your self-education is eligible, you may be able to claim a deduction for your expenses directly related to undertaking the course.

General expenses

Some general expenses you may be able to claim include:

- ✔ tuition fees, if paid directly by you
- ✔ computer consumables (eg printer cartridges)
- ✔ textbooks
- ✔ trade, professional or academic journals
- ✔ stationery
- ✔ home office running costs
- ✔ internet usage (excluding connection fees)
- ✔ phone calls
- ✔ postage
- ✔ student services and amenities fees
- ✔ travel costs, including car expenses, between home and the place of education and between your workplace and the place of education
- ✔ fees payable on some Higher Education Loan Program (HELP) loans, but not the loan itself.

You can only claim a deduction for the portion of these expenses that is directly related to your eligible self-education.

Depreciating assets

You may be able to claim a deduction for depreciating assets – assets that lose value over time such as computers and printers – that you have bought and use to study.

Depreciating assets that cost more than \$300 are usually claimed over the life of the asset (decline in value). However, if you have a depreciating asset that cost \$300 or less – you can get a deduction for the full cost of the asset to the extent that you used it for study in the tax year you bought it. (see *Apportioning expenses*).

Car expenses

If you are undertaking a course that has a direct connection to your current employment, you can also claim the cost of daily travel from your:

- ✔ home to your place of education and back
- ✔ work to your place of education and back.



However, you cannot claim the cost of the last stage of your travel from:

- ✘ home to your place of education, and then to work
- ✘ work to your place of education, and then to your home.

You **cannot** claim the following expenses related to your self-education:

- ✘ tuition fees paid by someone else, including your employer, or for which you were reimbursed
- ✘ repayments of loans you obtained under the Higher Education Loan Program (HELP) loans, Student Financial Supplement Scheme (SFSS), the Student Startup Loan (SSL) or the Trade Support Loans Program (TSL)
- ✘ home office occupancy expenses – such as rent, mortgage interest, rates
- ✘ accommodation and meals – except if you travel away from home for a short period for study, such as to attend residential school.

Apportioning expenses

Some expenses need to be apportioned between private purposes and use for self-education. Travel costs and depreciating assets are good examples of expenses that may need to be apportioned.

Use of equipment

If you use equipment such as computers and printers both privately and for study, you must apportion the expense based on the percentage you use the equipment for study.

For example, if a computer is used 50% of the time for study and 50% for private purposes, you can only claim half of the cost of the computer as a deduction. (For more information on asset expenses, see the *Depreciating assets* section on the previous page).

Recording your expenses

Use our self-education expense calculator (ato.gov.au/selfeducationcalc) to get an estimate of your self-education deductions. It also provides information on your claim eligibility.

Records you need to keep may include receipts or other documents showing expenses such as:

- ✓ course fees
- ✓ textbooks
- ✓ stationery
- ✓ decline in value of, and repairs to, depreciating assets.

You must also keep receipts, documents or diary entries for travel expenses.

The ATO app's myDeductions tool (ato.gov.au/myDeductions) can be used to record your self-education expenses.



Calculating your expenses

In certain circumstances, you may have to reduce your self-education expenses by up to \$250 to work out your deduction.

The Self-education expenses calculator (ato.gov.au/selfeducationcalc) on the ATO website works this out for you.





Gifts and donations

When can I claim?

- ✔ You can claim a deduction for a donation you make to an organisation if the donation meets four conditions:
 - You make it to a deductible gift recipient (DGR)
 - It must truly be a donation. A donation is a voluntary transfer of money or property where you receive no material benefit or advantage*
 - It must be money or property, which includes financial assets such as shares
 - You have a record of the donation such as a receipt.

* If you receive a material benefit – that is if the donor receives something which has a monetary value from the DGR in return for their donation – it is considered a contribution, and extra conditions apply. Visit ato.gov.au/gift-or-contribution for more information.



What is a DGR?

A deductible gift recipient (DGR) is an organisation or fund that can receive tax deductible gifts.

Not all charities are DGRs. For example, in recent times there has been an influx of crowdfunding campaigns. Many of these crowdfunding websites are not run by DGRs.

You can check whether your donation was made to an endorsed DGR on the Australian Business Register website abn.business.gov.au/DgrListing.aspx.



What records do I need?

- ✔ You should keep records of all tax deductible gifts and contributions you make.

When you make a donation, the DGR will usually issue you with a receipt – but they don't have to. If this is the case, in some circumstances, you can still claim a tax deduction by using other records, such as bank statements.

If a DGR issues a receipt for a deductible gift, the receipt must state:

- the name of the fund, authority or institution to which the donation has been made
- the DGR's ABN (if any – some DGRs listed by name might not have an ABN)
- that the receipt is for a gift.

If you give through a workplace giving program your payment summary or a written record from your employer is sufficient evidence.

Bucket donations

- ✔ If you made one or more donations of \$2 or more to bucket collections conducted by an approved organisation for natural disaster victims, you can claim a tax deduction of up to \$10 for the total of those contributions without a receipt. Further information is available on the **ATO website**.



When you can and can't claim a deduction

- ✔ You may be able to claim a deduction when:
 - the gift or donation is \$2 or more and you have a record of the donation
 - you donate property or shares, however special rules apply (see ato.gov.au/gifts-and-fundraising-rules)
 - there are special circumstances under the Heritage and Cultural gift programs where donations can also be deductible (see ato.gov.au/cultural-gifts for more detail).

Token items used to promote a DGR can be claimed as a deduction, such as label pins, wristbands and stickers.

- ✘ You can't claim gifts or donations as a deduction when it is for:
 - the purchase of raffle or art union tickets, such as an RSL Art Union prize home
 - the purchase of fundraising items that have an advertised price and can be used, such as chocolates, mugs, keyrings, caps or toys
 - the cost of attending fundraising dinners, even if the cost exceeds the value of the dinner
 - payments to school building funds made, for example, as an alternative to an increase in school fees
 - gifts to families and friends regardless of the reason
 - donations made under a salary sacrifice arrangement
 - donations made under a will.

Gifts and donations to political parties and independent candidates and members

In some circumstances, your gifts and donations to registered political parties and independent candidates may be claimed as a deduction.

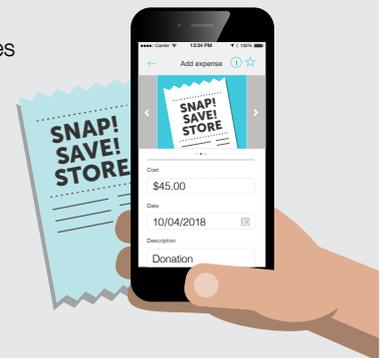
Your gift or donation must be \$2 or more and be money or property that you purchased during the 12 months before making the donation. This includes if you pay a membership subscription to a registered political party. You must also make the gift or donation as an individual, not in the course of carrying on a business, and it can't be a testamentary donation.

The most you can claim in an income year is:

- \$1,500 for contributions and gifts to political parties, and
- \$1,500 for contributions and gifts to independent candidates and members.

To claim a deduction you must keep a written record of your donation.

To find out who is registered, go to ato.gov.au/political-gifts.



This is a general summary only.

For more information, speak with your tax agent or visit ato.gov.au/gifts-and-donations

Ready-to-use Tax Time messages

Below are a range of messages you can use (or adapt) for your own communication channels, such as websites, intranets, newsletters and social media platforms.

Suggested social media posts for Facebook, Twitter and LinkedIn profiles

Are you a doctor, specialist, nurse, midwife or carer? Time for a check-up on the deductions you can claim this tax time! Download the ATO's health industry work-related expenses guide at ato.gov.au/occupation20

Keep your finger on the pulse this tax time. Read the ATO's health industry work-related expenses guide at ato.gov.au/occupation20

The ATO is here to support those who support and care for us

This tax time the ATO wants to help those in the health care industry get their work-related expense claims right. At a time of heightened stress in the industry we are here to assist and make tax time easier. This article is designed to guide you and provide specific information when claiming clothing, laundry and self-education expenses you may have incurred over the financial year.

The ATO recognises that claiming for clothing and laundry expenses can be confusing and we want to assist you to correctly calculate your work-related expenses at tax time.

You can't claim the cost of conventional clothing worn at work, even if your employer tells you to wear it, like black pants or a plain shirt worn under your uniform. But you can claim a deduction for work clothing you purchase if it is distinctive (has employer's name/logo), a uniform (compulsory or registered with AusIndustry) or protective.

You can also claim the cost of washing, drying, ironing and dry cleaning these items. When working out your laundry expenses we consider that a reasonable basis for working out your claim (inclusive of washing, drying and ironing) is:

- \$1 per load– if the load is made up only of work-related clothing, or
- 50 cents per load if other laundry items are included.

If your laundry claim (excluding dry cleaning expenses) is \$150 or less, you don't need to keep records but you will still need to be able to explain how you calculated your claim. This isn't an automatic deduction.

When claiming self-education expenses the key thing to remember is you cannot claim a deduction for study that doesn't have a direct connection to your current employment. You can only claim a deduction for self-education expenses if your course relates directly to your current job and it maintains or improves the specific skills or knowledge you require in your current employment.

Follow these three golden rules to make sure you get your work-related expense claims right:

- 1. You have to have spent the money yourself and can't have been reimbursed**
- 2. The claim must be directly related to earning your income**
- 3. You need a record to prove it.**

The ATO has a range of examples online to help you get your claims right. To make sure preparing your tax return is stress-free this tax time, check out the handy ATO guide designed especially for you at ato.gov.au/occupation20