



Engineers - income and work-related deductions

- <https://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Occupation-and-industry-specific-guides/Engineers---income-and-work-related-deductions/>
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Engineers – income and work- related deductions

If you earn your income as an employee engineer, this information will help you to work out what:

- income and allowances to report
- you can and can't claim as a work-related deduction
- records you need to keep.

Find out about engineers':

- [Income – salary and allowances](#)
- [Deductions](#)
- [Record keeping](#)

Income – salary and allowances

Your employer will provide either an income statement or a payment summary that shows all your salary, wages and allowances for the financial year.

Include all of the income you received during the financial year in your tax return, regardless of when you earned it, including:

- [salary and wages](#)
- [allowances](#).

Don't include [reimbursements](#).

Salary and wages

You must include your salary and wages as income in your tax return. Include any bonuses.

See also:

- [Employment income](#)

Allowances

Include all allowances shown on your income statement or payment summary as income in your tax return.

You may receive an allowance to:

- compensate you for an aspect of your work – for example, carrying unpleasant or dangerous goods
- help you to pay for certain expenses such as meals when you're travelling.

If your employer pays you:

- an amount based on an estimate of what you might spend, such as paying cents per kilometre if you use your car for work, then it's an allowance
- for the actual amount of the expense (either before or after you incur the expense), such as paying for the petrol you use if you use your car for work, it's a reimbursement.

Allowances on your income statement or payment summary

You may receive allowances:

- for work that may be unpleasant, special or dangerous
- in recognition of holding special skills, such as a first-aid certificate
- to compensate for weekend or holiday shifts.

These payments don't cover you for expenses you might incur. Include these allowances as income in your tax return.

If you receive an allowance from your employer, you aren't always entitled to a deduction – it depends on the situation. See [Deductions](#).

Allowances not shown on your income statement or payment summary

Your employer may not include some allowances on your income statement or payment summary. This can apply to travel allowances and overtime meal allowances paid under an industrial law, award or agreement. You can see these allowances on your payslips.

If the allowance isn't on your income statement or payment summary, and you:

- spent the whole amount on deductible expenses
 - don't include it as income in your tax return
 - you can't claim any deductions for these expenses

- spent more than your allowance
 - include the allowance as income in your tax return
 - claim a deduction for your expense, if you're eligible – see [Deductions](#).

See also:

- [Allowances and other income](#)
- [Employment income](#)

Reimbursements

If your employer pays you the exact amount for expenses you incur (either before or after you incur them), the payment is a reimbursement. We don't consider a reimbursement to be an allowance.

If you're reimbursed for expenses you incur:

- don't include the reimbursement as income in your tax return
- you can't claim a deduction for them.

Find out about engineers':

- [Deductions](#)
- [Record keeping](#)

Deductions

- <https://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Occupation-and-industry-specific-guides/Engineers---income-and-work-related-deductions/?page=2>
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You may be able to claim deductions for your work-related expenses. Work-related expenses are expenses you incur on items used to earn your income as an engineer.

To claim a deduction for a work-related expense:

- 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 (usually a receipt).

If the expense was for both work and private purposes, you can only claim a deduction for the work-related part. You can't claim a deduction for any part of the expense that relates to personal use.

You can use the [myDeductions](#) tool in the ATO app to help keep track of your work-related expenses. It's an easy way to capture information on the go and makes tax

time quicker by uploading your deductions to your tax return. If you use a tax agent they can access your uploaded data through their practice management software or you can email a copy to them from the app.

For a summary of common deductions, see [Engineers deductions \(PDF, 952KB\)](#)  .

For a detailed list to help you work out if your expense is deductible, and how much you can claim, see:

- A–F
 - [Award transport payments \(fares allowance\)](#)
 - [Car expenses](#)
 - [Child care](#)
 - [Clothing expenses \(including footwear\)](#)
 - [Driver's licence](#)
 - [Fines](#)
 - [First aid courses](#)
- G–O
 - [Glasses, contact lenses and anti-glare glasses](#)
 - [Insurance of tools and equipment](#)
 - [Laundry and maintenance](#)
 - [Licences, permits and cards](#)
 - [Meals and snack expenses](#)
 - [Overtime meal expenses](#)
- P–S
 - [Parking fees and tolls](#)
 - [Phone and internet expenses](#)
 - [Protective items](#)
 - [Repairs to tools and equipment](#)
 - [Self-education and study expenses](#)
 - [Self-education and study and training support loans](#)
 - [Seminars, conferences and training courses](#)
 - [Sunglasses, sunhats and sunscreen](#)
- T–W
 - [Technical or professional publications](#)
 - [Tools and equipment](#)
 - [Travel expenses](#)
 - [Union and professional association fees](#)
 - [Working from home](#)

See also:

- [Employees guide for work expenses](#)

Common expenses A–F

- <https://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Occupation-and-industry-specific-guides/Engineers---income-and-work-related-deductions/?page=3>
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Details on claiming common engineer expenses for:

- [Award transport payments \(fares allowance\)](#)
- [Car expenses](#)
- [Child care](#)
- [Clothing expenses \(including footwear\)](#)
- [Driver's licence](#)
- [Fines](#)
- [First aid courses](#)

Award transport payments (fares allowance)

If you receive an allowance from your employer for transport expenses or car expenses and it's paid to you under an award, it's assessable income and must be included on your tax return.

You can claim a deduction for expenses covered by award transport payments only if the expenses are for deductible work-related travel, and you have actually spent the money.

See also:

- [Award transport payments](#)

Car expenses

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 work outside normal business hours (weekend or early morning shifts). These are private expenses.

In limited circumstances you can claim the cost of trips between home and work, such as where you carry bulky tools or equipment for work. You can claim a deduction for the cost of these trips if all the following conditions are met:

- The tools or equipment you carry are essential for the performance of your employment duties.
- The equipment is bulky, meaning that because of its size or weight it is awkward to transport and can only be transported conveniently by motor vehicle.
- There is no secure storage for such items at the workplace.

It will not be sufficient if you transport tools or equipment merely as a matter of choice. For example, if your employer provides the tools and equipment you require or they provide secure storage, your decision to transport items will be a matter of choice.

You can claim the cost of using a car you own, lease or hire (under a hire-purchase agreement) when you drive:

- between separate jobs on the same day – for example, travelling from your main job as a mechanical engineer to your second job as a university lecturer
- to and from an alternate workplace for the same employer on the same day – for example, travelling from your office to inspect a job site.

You may be able to claim the cost for driving between workplaces and your home if you do itinerant work (or have shifting places of work). Travel must be a fundamental part of your work duties.

To claim a deduction you must keep records of your car use. You can choose between the logbook method or the cents per kilometre method.

If you use the logbook method, you need to keep a valid logbook to determine the percentage of work-related use along with evidence of your car expenses.

If you use the cents per kilometre method, you need to provide a calculation of your work-related kilometres and be able to show that those kilometres were work related.

The [Work-related car expenses calculator](#) helps calculate the amount you can claim as a deduction for car expenses.

If you own a motorcycle, or a vehicle with a carrying capacity of one tonne or more, or nine passengers or more you can only deduct the actual expenses related to your work travel.

Example: no safe and secure storage

Mike is a mechanical engineer responsible for constructing machines. He has to carry machinery and tools between his home and workplace each day to perform his duties.

Mike's employer doesn't provide secure storage for him to store his tools and machinery at work. He can therefore claim a deduction for the expenses he incurs to transport his tools and machinery.

Example: from alternative workplace to home

Hiroto works as a civil engineer for a large company in the city. He has to attend regular meetings at his employer's head office in the suburbs. He uses his own car to travel to the meetings. Hiroto travels directly home after the meetings because they finish late.

Hiroto can claim the cost of travelling from his city office to the meeting at head office, and then to his home.

Example: between alternative workplace and work

Jan makes site visits to view projects she's working on as a structural engineer. Sometimes, she travels from her home to view a site, and then continues on to her workplace.

Jan can claim a deduction for her travel expenses from her home to the site and then onto her workplace.

Example: working partly from home

Mohammed's employer has an office in the city, but is happy for Mohammed to work from home three days each week. On these days, Mohammed sometimes has to travel into the office for a meeting, before returning home to work.

In this situation, the expense Mohammed incurs to travel between his home and work is a private expense that he can't claim.

See also:

- [Car expenses](#)
- [Travel between home and work and between workplaces](#)

Child care

You can't claim a deduction for child care when you're working. It's a private expense.

Clothing expenses (including footwear)

You can claim a deduction for the cost you incur when you buy, hire, repair, replace or clean clothing, uniforms and footwear you wear at work if it's:

- protective clothing and footwear that provides a sufficient degree of protection against the risk of injury or illness posed by the activities you undertake to earn

your income

- occupation specific and not a conventional everyday piece of clothing
- a compulsory uniform that identifies you as an employee of an organisation with a strictly enforced policy that makes it compulsory for you to wear the uniform while you're at work
- a non-compulsory uniform, if your employer has registered the design with AusIndustry.

You should check with your employer if you are unsure if a uniform has been registered with AusIndustry.

You can claim clothing and footwear that you wear to protect yourself from the risk of injury or illness posed by your income-earning activities or the environment in which you carry them out. To be considered protective, the items must provide a sufficient degree of protection against that risk – for example, gloves and protective boots.

Clothing in a specific colour or brand isn't enough to classify it as a uniform. For example, a shirt with the corporate logo on it that your employer strictly requires you to wear when you work is a compulsory uniform. You can claim a deduction for buying and repairing it.

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 you only wear them at work. You can't claim for:

- heavy duty conventional clothing such as jeans, drill shirts, all brands of work wear shirts and plain black trousers
- running shoes or casual shoes.

These are private expenses.

You can't claim a deduction if your employer buys, mends, cleans or reimburses you for your clothing.

Example: conventional clothing

Richard, an electrical engineer, works on a building site. He wears jeans with t-shirts or long sleeve shirts at work as they're comfortable. While the jeans and shirts afford Richard some protection from skin abrasions, they provide only limited protection from injury. The items are commonly worn as conventional clothing and aren't designed to protect the wearer or cope with rigorous working conditions.

Richard can't claim a deduction for the cost of purchasing or cleaning these items because they're private in nature.

See also:

- Engineers' [Laundry and maintenance](#)
- Engineers' [Protective items](#)
- [Clothing, laundry and dry-cleaning expenses](#)

Driver's licence

You can't claim a deduction for obtaining or renewing your driver's licence, even if you must have it as a condition of employment. This is a private expense.

Fines

You can't claim a deduction for any fines you get when you work. Fines may include, parking fines and speeding fines.

First aid courses

You can claim a deduction for the cost of first aid training courses if you, as a designated first aid person, are required to undertake first aid training to assist in emergency work situations.

You can't claim a deduction if your employer pays for the training, or reimburses you.

For more engineer expenses, see:

- common expenses [G–O](#)
- common expenses [P–S](#)
- common expenses [T–W](#)

Common expenses G–O

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Details on claiming common engineer expenses for:

- [Glasses, contact lenses and anti-glare glasses](#)
- [Insurance of tools and equipment](#)
- [Laundry and maintenance](#)
- [Licences, permits and cards](#)
- [Meal and snack expenses](#)
- [Overtime meal expenses](#)

Glasses, contact lenses and anti-glare glasses

You can't claim a deduction for prescription glasses or contact lenses. These are

private expenses.

You can claim a deduction for the cost of anti-glare glasses if you wear them to reduce the risk of illness or injury while working as an engineer.

See also:

- Engineers' [Sunglasses, sunhats and sunscreen](#)
- [Glasses, contact lenses and protective glasses](#)

Insurance of tools and equipment

You can claim a deduction for the cost of insuring your tools and equipment to the extent that you use them for work.

Laundry and maintenance

You can claim a deduction for the cost of washing and drying clothing you wear at work, if it's:

- protective
- occupation specific and not a conventional, everyday piece of clothing
- a uniform either non-compulsory and registered with AusIndustry or compulsory.

This also includes laundromat and dry cleaning expenses.

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.

Example: laundry expenses uniform and conventional clothing

Joseph is employed as an electrical engineer. His employer requires him to purchase shirts with the company logo to be worn at work. He is also required to wear plain drill work pants.

Joseph can claim a deduction for the purchase and laundering of his work shirts as the logo makes them unique and distinctive to the organisation.

Joseph can't to claim a deduction for the drill pants even though he only wears them to work. They are conventional in nature and don't have a logo or other feature that is unique and distinctive to the organisation.

Joseph works for 40 weeks of the financial year and washes his shirts twice a week in a mixed load with other clothes.

Joseph calculates his laundry claim as follows:

$$2 \text{ times per week} \times 40 \text{ weeks} \times \$0.50 \text{ per load} = \$40.$$

Example: no deduction allowed for business attire

Gayle is employed as a mechanical engineer. Gayle's employer doesn't provide a uniform but requires staff to wear business attire to work. Gayle purchases suitable clothing that she only wears to work.

Gayle can't claim a deduction for the purchase or laundering of these items as they are conventional clothes and not occupation specific, protective or a uniform.

See also:

- Engineers' [Clothing expenses \(including footwear\)](#)
- [Clothing, laundry and dry-cleaning expenses](#)

Licences, permits and cards

You can claim a deduction for any renewal fees for licences, regulatory permits, certificates, or white cards that relate to your work.

You can't claim the cost of getting your initial licence or certificate, even if you must have it as a condition of employment.

Meal and snack expenses

You can't claim a deduction for the cost of food, drink or snacks you consume during your normal working hours, even if you receive a meal allowance. These are private expenses.

See also:

- Engineers' [Travel expenses](#)
- Engineers' [Overtime meal expenses](#).

Overtime meal expenses

You can claim a deduction for the cost of a meal you buy and eat when you work overtime, if you receive an overtime meal allowance under an industrial law, award or agreement, and it's included in your assessable income.

You can't claim a deduction if your overtime meal allowance is rolled into your salary and wages and not included as a separate allowance on your income statement or payment summary.

You are generally required to get and keep written evidence, such as receipts, when you claim a deduction for overtime meal expenses. However, each year we

set a reasonable amount you can claim for overtime meal expenses without written evidence. If you receive an overtime meal allowance, are claiming a deduction and spent:

- up to the reasonable amount, you don't have to get and keep receipts
- more than the reasonable amount, you must get and keep receipts for all your expenses.

In all cases, you need to be able to show:

- you spent the money
- how you calculated your claim.

Example: overtime meal expenses

Ash, an aeronautical engineer, was required to work overtime for 10 days. Ash was paid an overtime meal allowance of \$30.60 for each night he worked overtime equivalent to the reasonable rate set by us.

Ash was happy to spend \$14.00 each time on a takeaway meal. At the end of the income year his income statement showed he received \$306 in allowances which represented the 10 overtime days \times \$30.60.

In his tax return, Ash correctly showed the \$306 allowance and claimed deductions of $\$14.00 \times 10 = \140 . This is the amount he had actually spent on his overtime meals.

The difference of \$166 ($\$306 - \140) will be included as taxable income on Ash's tax assessment.

See also:

- [Overtime meals](#)
- [TD 2019/11](#) *Income tax: what are the reasonable travel and overtime amounts for the 2019–20 income year?*

For more engineer expenses, see:

- common expenses [A–F](#)
- common expenses [P–S](#)
- common expenses [T–W](#)

Common expenses P–S

- <https://www.ato.gov.au/Individuals/Income-and-deductions/In->

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Details on claiming common engineer expenses for:

- [Parking fees and tolls](#)
- [Phone and internet expenses](#)
- [Protective items](#)
- [Repairs to tools and equipment](#)
- [Self-education and study expenses](#)
- [Self-education and study and training support loans](#)
- [Seminars, conferences and training courses](#)
- [Sunglasses, sunhats and sunscreen](#)

Parking fees and tolls

You can claim a deduction for parking fees and tolls on work-related trips between two separate places of work or to an alternate workplace on the same day.

You may not have to get and keep written evidence for these expenses if they're small or hard to get, for example, if you pay cash in a roadside parking meter.

You can't claim a deduction for parking at or near a regular place of employment. This is a private expense.

See also:

- [Small expense receipts](#)

Phone and internet expenses

You can claim a deduction for the phone and internet costs associated with the work-related use of your own phone or electronic devices.

You need to keep records to show a detailed pattern for your work use if you claim more than \$50 on phone and internet expenses.

You can't claim a deduction if your employer provides you with a phone for work and pays for the usage, or if your employer reimburses you for the costs.

You can't claim a deduction for any phone calls to family and friends, even while you're travelling for work. This is because they aren't work-related calls.

Example: calculating phone expenses

George uses his mobile phone for work purposes (mostly outgoing calls). He's on a set plan of \$49 each month and rarely exceeds the cap.

He receives an itemised account from his phone provider monthly, which

includes details of the individual calls he has made. George prints his phone accounts and highlights his work-related calls. He also notes on the account about who he has called.

Of the 300 calls made in a four-week period, George works out that 30 (10%) of his individual call expenses are for work. He applies that percentage to his cap amount of \$49 a month.

George worked for 46 weeks (10.6 months) of that year, so he calculates his work-related mobile phone expense deduction as follows:

$$\text{Total work calls} \div \text{Total number of calls} = \text{Work use percentage for calls}$$

$$(30 \div 300 = 10\%)$$

George can claim 10% of the total bill of \$49 for each month for work purposes

$$(\$49 \times 0.10 = \$4.90)$$

George's total expense for work-related calls is:

$$10.6 \text{ months} \times \$4.90 = \$51.94$$

Example: work and private use

Sylvette uses her computer and personal internet account at home to access her work emails and manage her appointments. Sylvette uses her computer and the internet for work and private purposes.

Sylvette's internet use diary showed 20% of her internet time was for work-related activities and 60% was for private use. As her internet service provider charge for the year was \$1,200 she can claim:

$$\$1,200 \times 0.20 = \$240 \text{ as work-related internet use.}$$

See also:

- [Claiming mobile phone, internet and home phone expenses](#)

Protective items

You can claim a deduction for the cost of protective items such as gloves, safety glasses, goggles and breathing masks.

To be considered protective, the item must provide a sufficient degree of protection against the risks of illness or injury you are exposed to in carrying out your work duties.

You can't claim a deduction if the protective item is supplied by your employer or another person. You also can't claim a deduction if you are reimbursed for the cost you incur to buy the protective item.

Example: protective clothing

Rafael wears steel-capped boots and a hard hat when working at the industrial park. These items aren't of a private or domestic nature and are necessary for Rafael to wear while at work.

The protective nature of these items means that Rafael can claim a deduction for their cost.

Repairs to tools and equipment

You can claim a deduction for repairs to tools and equipment you use for work. If you also use them for private purposes, you can only claim the work-related portion.

Self-education and study expenses

You can claim a deduction for self-education and study expenses if it's directly related to your current employment as an engineer and it:

- maintains or improves the skills and knowledge you need for your current duties
- results in or is likely to result in an increase in your income from your current employment – for example, training in a new product for bridge development.

You can't claim a deduction if the self-education or study course:

- doesn't have a connection with your current employment
- only relates in a general way to your current employment or profession
- enables you to get employment or change employment.

For example, you can't claim your Degree in Mechanical Engineering if you are working as an engineering consultant.

Self-education expenses include fees, travel expenses (for example, attending a lecture interstate), transport costs, books and equipment. You usually have to reduce your self-education expenses by \$250 – that is, the first \$250 of expenses for self-education aren't deductible.

Example: self-education related to income-earning activities

Doug is studying engineering while doing administrative work for a mining company. He is offered a trainee engineering position with the mining company on an understanding that he will continue his studies. Doug can't claim his study expenses while employed as an administrator, but he can claim his study expenses while employed as a trainee engineer.

Example: no sufficient connection with current role

Dean is a qualified draftsman employed in an engineering firm. He is studying a degree in mechanical engineering to further his career.

Dean can't claim a deduction for the course and associated expenses as the course doesn't directly relate to his current employment activities as a draftsman.

Example: maintains or improves specific skill or knowledge

Ashran holds a Bachelor of Chemical Engineering and is employed in a technology firm. She decides to study her Masters to extend her field of specialisation.

Ashran can claim a deduction for the course and associated expenses as the course enables her to maintain or improve the skills and knowledge specific to her current income-producing activities.

See also:

- [Self-education expenses](#)

Self-education and study and training support loans

You can't claim the repayment of loans you receive to help pay for your self-education or study expenses. This includes:

- Higher Education Loan Program (HELP) loans
- VET Student Loans (VSL)
- the Student Financial Supplement Scheme (SFSS)
- Student Start-up Loans (SSL)
- the Trade Support Loan (TSL) Program.

You may be able to claim a deduction for course or tuition fees where the self-education expenses are directly related to your current employment as an engineer.

See also:

- [Self-education expenses](#)

Seminars, conferences and training courses

You can claim for the cost of seminars, conferences and training courses that relate to your work as an engineer.

Example: deductible seminar

Timothy is employed as an environmental engineer. In order to maintain his continued professional development and professional accreditation he attends a Landfill Engineering and Environmental Management seminar. Timothy pays the registration fee to attend and isn't reimbursed by his employer.

Timothy can claim a deduction for the registration fee. He takes a photo of the registration form, receipt of payment and records the expense in the myDeductions tool in the ATO app.

Example: conference expenses reimbursed

Jenny is employed as a robotics engineer with an automotive manufacturer. She attends the annual International Conference on Mechatronics and Robotics Engineering to ensure she is up to date on the latest innovations in her field.

Jenny's employer pays for her flights, accommodation and registration to attend the three day conference. All meals are provided at the conference.

Jenny can't claim a deduction for these expenses as she didn't incur any of the expenses.

Sunglasses, sunhats and sunscreen

You can claim a deduction for the cost of sunglasses if you wear them to reduce the risk of illness or injury while working as an engineer. This includes prescription sunglasses.

You can claim a deduction for the cost of sunscreen or a sunhat if wearing it:

- has the necessary connection with earning your employment income
- protects you from the risk of illness or injury at work because your employment duties require you to spend prolonged periods outdoors.

If you also wear these items for private purposes, you can only claim a deduction for the work-related portion.

Example: claiming sunglasses

Harold works for a small electrical company in far north Queensland. He regularly works at more than one location each day and drives his employer's truck when travelling from job to job. He wears sunglasses for protection against the glare of the sun while driving the truck. He also needs to wear glasses while driving, for his short-sightedness.

He buys a pair of prescription sunglasses which counter the glare during day driving. He also buys a pair of untinted prescription glasses for night driving.

Harold can claim a deduction for the prescription sunglasses, but not for the untinted prescription glasses.

See also:

- Engineers' [Glasses, contact lenses and anti-glare glasses](#)
- [Glasses, contact lenses and protective glasses](#)

For more engineer expenses, see:

- common expenses [A–F](#)
- common expenses [G–O](#)
- common expenses [T–W](#)

Common expenses T–W

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Details on claiming common engineer expenses for:

- [Technical or professional publications](#)
- [Tools and equipment](#)
- [Travel expenses](#)
- [Union and professional association fees](#)
- [Working from home](#)

Technical or professional publications

You can claim a deduction for the cost of journals, periodicals and magazines that have content sufficiently connected to your employment as an engineer.

Tools and equipment

You can claim a deduction for tools and equipment if you use them to perform your duties as an engineer.

If a tool or item of equipment cost you \$300 or less, and you use it for work only, you can claim a deduction for the whole cost in the year you purchased it. Otherwise, you can claim a deduction for the cost over the life of the item (that is, decline in value).

If the item is part of a set that together cost more than \$300, you can claim a deduction for the set over the life of the asset.

If you also use the tool or item of equipment for private purposes, you can only claim the work-related portion.

If you bought the tool or equipment part way through the year, you can only claim a deduction for the portion of the year that you owned it.

You can also claim a deduction for the cost of repairs to tools and equipment.

You can't claim a deduction for tools and equipment that are supplied by your employer or another person.

Example: depreciating (no immediate deduction)

Anna needed a new set of 16 spanners for work. She couldn't afford the \$330 cost, so she bought them all individually over 2020.

Although they only cost \$22 each, Anna can't claim an immediate deduction for the spanners because they are part of a set she bought in the 2020 income year that cost more than \$300. Anna can claim a deduction for the decline in value of the set, which in the end cost \$352.

If in a following year, Anna breaks one of the spanners and has to buy a replacement, she'll be able to claim an immediate deduction for the replacement because it won't be part of a set she bought in that year that cost more than \$300.

Example: effective life

Tal purchased a tool set on 5 September for \$1,500 and only uses them for work purposes.

He visits our website and looks up our ruling on the effective life of depreciating assets. The ruling says the effective life of loose tools is five years.

He works out the deduction for the decline in value of his tool set using the prime cost method in this way:

$$(\text{Asset cost} \times (\text{days held} \div 365) \times (\text{work use percentage} \div 5))$$

He has held the tools for 300 days and his work use percentage is 100%, that is:

$$\$1,500 \times (300 \div 365) \times (100\% \div 5) = \$246$$

Tal can therefore claim \$246 for the decline in value of his tool set in the first year. Using the same method, he will also be able to claim \$300 per year in the following four years and \$54 in the final (sixth) year.

See also:

- [Depreciation and capital allowances tool](#)
- [Depreciation and capital expenses and allowances](#)

Travel expenses

You can claim a deduction for the costs you incur on accommodation, meals and incidental expenses when you're required to travel for work and sleep away from your home overnight in the course of performing your employment duties. For example, travelling interstate to oversee on-site projects as part of your role as an electrical engineer.

You can't claim a deduction for accommodation where you:

- haven't incurred any accommodation expenses
- sleep in accommodation provided by your employer.

Receiving a travel allowance from your employer doesn't automatically mean you can claim a deduction. You still need to show:

- you were away overnight
- you spent the money yourself

- the allowance was included in your assessable income
- the travel was directly related to earning your employment income
- how you calculated your claim.

Each year, we set a reasonable amount for travel expenses. Generally, you are required to get and keep written evidence, such as receipts, when you claim a deduction for travel expenses. However, if you are claiming a deduction and spent:

- up to the reasonable amount, you don't have to get and keep receipts
- more than the reasonable amount, you must get and keep receipts for all your expenses.

Example: living away from home allowance

Joe is a civil engineer. He lives in the city with his family and applied for a job to work on a large construction project near a country town for 12 months. He is paid a living-away-from-home allowance by the construction company to meet his accommodation and meal costs in the country town.

The allowance isn't income and shouldn't be shown on Joe's income statement. He can't claim a deduction for his accommodation and meal costs while living away for work.

Example: reasonable allowance amount

Antoni travels from Adelaide to Mt Gambier for a job. Away from home for five nights, his employer pays him a travel allowance of \$110 per night for accommodation, meals and incidentals. The allowance isn't shown on his income statement.

The travel allowance amount paid to Antoni is less than the reasonable allowance amount and he spends all of the travel allowance on his travel expenses.

Antoni chooses not to include his allowance on his tax return because:

- it's less than the reasonable allowance amount
- it's not shown on his income statement
- he spends it all to cover his travel expenses.

This means Antoni can't claim a deduction for his expenses on his tax return.

See also:

- [Other travel expenses](#)
- [TD 2019/11](#) *Income tax: what are the reasonable travel and overtime amounts for the 2019–20 income year?*

Union and professional association fees

You can claim a deduction for union and professional association fees you pay. If the amount you paid is shown on your income statement or payment summary, you can use it to prove your claim.

See also:

- [Union fees, subscriptions to associations and bargaining agents fees](#)

Working from home

You can claim a deduction for the work-related portion of running expenses for an office or a study at home that you use to earn your income working as an engineer.

Running expenses include:

- decline in value of home office equipment
- the cost of repairs to your home office furniture and fittings
- heating, cooling, lighting and cleaning expenses
- internet.

If you are working from home as a result of COVID-19, we have specific information about expenses – see [Working from home during COVID-19](#).

You can only claim a deduction for the additional running costs incurred as a result of working from home. For example, if you work in your lounge room when others are also present, the cost of lighting and heating or cooling that room isn't deductible because there is no additional cost for those expenses as a result of you working from home.

To work out your home office expenses you can either use a fixed rate of 52 cents per hour for each hour that you work from home or calculate your actual expenses.

You can't claim occupancy expenses, such as rent, rates, mortgage interest, rent and house insurance premiums.

In limited circumstances, you may be able to claim a deduction if your home office is considered to be a place of business. If your only income is paid to you as an employee, you aren't considered to be carrying on a business.

Diary records noting the time the home office was used for work are acceptable evidence of a connection between the use of a home office and your work. You'll need to keep diary records during a representative four-week period.

The [Home office expenses calculator](#) helps calculate the amount you can claim as a deduction for home office expenses.

Example: working from home

Calvin is employed as engineer by ABC Pty Ltd, a company based in the Melbourne CBD. Calvin lives in a rented property in Geelong and wants to limit his need to commute to the office in the Melbourne CBD. His employer gives him permission to work frequently from home, but he needs to come into the office for team meetings and on other days as required.

Calvin sets up a spare room as his work office and he doesn't use it for any other purpose. Calvin would be able to claim running expenses in respect of his home office but would not be able to claim any portion of his rent as it is a cost of maintaining a place to live and domestic in nature (that is, an occupancy expense).

See also:

- [Home office expenses](#)
- [Law Administration Practice Statement PS LA 2001/6](#) *Verification approaches for home office running expenses and electronic device expenses*
- [Taxation Ruling TR 93/30](#) *Income tax: deductions for home office expenses*

For more engineer expenses, see:

- common expenses [A–F](#)
- common expenses [G–O](#)
- common expenses [P–S](#)

Find out about engineers':

- [Income – salary and allowances](#)
- [Record keeping](#)

Record keeping

- <https://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Occupation-and-industry-specific-guides/Engineers---income-and-work-related-deductions/?page=7>
- Last modified: 30 Apr 2020
- QC 22571

You need to get and keep records of your expenses for which you want to claim deductions. This is usually a receipt but can be another form of written evidence (such as an invoice).

Records can be electronic (for example, you can take a photo of your receipt, or use an app). The [myDeductions](#) tool in the ATO app can help you to keep track of your

work-related expenses. It's an easy way to capture information on the go, making tax time quicker by uploading your deductions to your tax return. If you use a tax agent they can access your uploaded data through their practice management software or you can email a copy to them from the app.

Records must show what you purchased, when, where, and how much you spent. They must be in English.

There are a few exceptions to this rule:

- [Small expense receipts](#)
- [Hard to get receipts](#)
- [Overtime meal expense receipts](#)
- [Travel and meal expense receipts](#)

Small expense receipts

You don't have to get and keep a receipt for work-related expenses that are \$10 or less, as long as your total claim for small expenses is \$200 or less.

If you don't get a receipt for small expenses you can still claim a deduction as long as you make a record of the small expenses. For example, you can make a record by writing in your diary.

Your record should show what you purchased, when, where, and how much you spent. It must be in English. You can use this to show how you calculated your deduction if we request this information from you.

Hard to get receipts

If you can't get a receipt for a work-related expense, you can still claim a deduction as long as you make a record. For example, you can make a record by writing in your diary.

Your record should show what you purchased, when, where, and how much you spent. It must be in English. You can use this to show how you calculated your deduction if we request this information from you.

Overtime meal expense receipts

You can claim a deduction for your overtime meal expenses (food and drink) without keeping all your receipts if you:

- undertake overtime
- receive an overtime meal allowance paid under an industrial law or award
- spent money on meals (food and drink) you consumed during your overtime meal break
- aren't claiming more than the reasonable amount we set – see, Engineers' [Overtime meal expenses](#).

Even if you aren't required to get and keep receipts for your overtime meal expenses, we may check your tax return and ask you to show how you calculated

your claim. If we ask, you'll need to provide documents that show:

- when you did overtime
- you purchased a meal
- you correctly declared the overtime meal allowance as income in your tax return.

If you don't receive an overtime meal allowance paid under an industrial law or award, or are claiming a deduction for more than the reasonable amount, you need to get and keep your receipts for your overtime meal expenses.

You claim what you actually spent, not the reasonable amount.

See also:

- [Overtime meals](#)
- [TD 2019/11](#) *Income tax: what are the reasonable travel and overtime amounts for the 2019–20 income year?*

Travel and meal expense receipts

You can claim a deduction for your accommodation, meal (food and drink) and incidental expenses without keeping all your receipts if your travel is for less than six nights and you:

- receive a travel allowance that's expected to cover your meal expenses when travelling (a token amount you receive as a travel allowance isn't accepted as covering such costs)
- spent money on accommodation, meals (food and drink) incidental expenses while travelling overnight for work
- aren't claiming more than the reasonable amount set – see, Engineers' [Travel expenses](#).

Even if you aren't required to get and keep receipts for your meals when travelling for work, we may check your tax return and ask you to show how you calculated your claim. If we ask, you'll need to provide documents that show:

- when you were travelling for work (including start and finish times)
- you paid for accommodation, meals and incidental expenses and the cost of those expenses
- you correctly declared the travel allowance as income in your tax return.

You will need to maintain and keep all of your records for travel expenses if you're in one of the following situations:

- You didn't get a travel allowance.
- You received a travel allowance and your claim exceeds the reasonable allowance amount.

The records you need to keep for fares, accommodation, food, drink and incidentals depend on the length of your trip and if it is domestic or international.

If you travel for six or more nights in a row, you may need to keep a travel diary in

which you record the dates, places, times and duration of your activities and travel.

You don't need to keep a travel diary if your travel away from home is less than six nights in a row. If you are required to maintain and keep records, the records you keep may include:

- your income statement, payment summary or payslips to show the travel allowances you received
- a travel diary, or documents that show the days you travelled for work, including
 - start and finish times
 - where you travelled
 - when you stopped for meals
- all receipts, invoices or documents for accommodation, meals and incidental expenses showing the
 - name of the supplier
 - amount you spent
 - nature of the good or service
 - date you spent the money
 - creation date of the receipt or other written evidence
- written evidence, such as a bank statement, to show that you were the one who spent the money.

You claim what you actually spent, not the reasonable amount.

See also:

- [Keeping travel expense records](#)
- [Exceptions for keeping travel expense records](#)
- [TD 2019/11](#) *Income tax: what are the reasonable travel and overtime amounts for the 2019–20 income year?*
- General information on [Income and deductions](#)

Find out about engineers':

- [Income – salary and allowances](#)
- [Deductions](#)

Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

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