

Claimable Expense: Travel Expenses

Travel expenses are classified into two:

- ✓ **Transport expenses**, which include driving your car, taking public transport (bus, train, or taxi), and flying
- ✓ **Accommodation, food, and other supplementary expenditures** incurred while you were away from home overnight

Both classifications should occur only while performing your work or employment duties.



Important Notes Before Claiming Deductions for Travel Expenses

- ✓ Keep your receipts or anything that serves as written evidence for all the travel expenses you have incurred.
- ✓ Travel records are required for those who travel away from home for at least six nights in a row. A travel diary, along with the receipts, may suffice.
- ✓ Deductions are not automatically awarded to those who receive a travel allowance from their employer.
- ✗ If your employer has reimbursed you for any travel cost, you can no longer claim a deduction for it.
- ✗ Private travels do not entitle you to a deduction. There may be a few exceptions, but you generally cannot claim for driving from home to work or vice versa. These trips are viewed as private.
- ✗ If you relocate or fly away from home, deductions cannot be claimed for all expenses, namely accommodation, food, and related costs.

Examples when apportioning costs are applicable:

All Australian taxpayers should know about how to apportion their expenses, specifically private costs. However, you may not need to apportion the costs when travelling for work if the private cost is minor and merely incidental to your job.

Some exceptions do apply, particularly on meals, accommodation, and other related expenses.

For clarity, here are some examples when apportioning costs are applicable:

- ✓ If you travel for work and you take your family with you, you can only claim travel expenses that you have incurred. Their expenses are not claimable, regardless of how you travelled and whether it is your partner or child. For example, you rent a two-bedroom apartment during your travel. You can only claim a deduction for expenses you would have incurred if you travelled alone. Therefore, you can claim for the rent of that one-bedroom apartment.
- ✓ You fly to Broome for work and stay there for seven days. On the weekend, you decide to book some tours and do some sightseeing around Broome. You can only claim your trip to Broome, including your accommodation, meals, flights, and other expenses. You cannot claim the cost of tours or sightseeing done during the weekend. Your travel expenses outside work are not deductible.
- ✓ Another example is if you have booked a holiday to Melbourne, but your employer tells you to attend a conference in the same city for three days. You then change your travel plans and add three more days in Melbourne for that conference. You are required to apportion your trip for its private component, which is 50%. You should only claim the expenses for the three-day event, which is work-related.

- ✓ You have a 10-day work-related conference in France. You choose to stay two more days to enjoy the sights. You cannot claim your expenses from the last two-day travel because they are private costs. However, this trip's private component is considered incidental. Therefore, you can claim the entire cost of the airfare.
- ✓ If you are holidaying in Brisbane and you realise there is half a day seminar while you're in the city, you can only claim for the costs of attending the seminar. The central part of your trip is for personal reasons. Therefore, they cannot be deducted from your tax.



When are Receipts Not Required?

Keep all your receipts as much as possible.

However, there are some cases where you do not have a record of the expense.

You can still claim for individual costs without receipts if:

- ✓ Your employer gave you an allowance for the particular expense.
- ✓ Your deduction is lower than the reasonable amount set by the Commissioner.
For this year, it is \$31.95 for overtime meals.

If your claim is more than the reasonable amount, you are required to show receipts for all expenses.

While record-keeping is not necessary for the situations above, you may still have to explain your claim.

You may also be asked to show how you spent the amounts, such as through your work diary.



Keeping a Travel Diary

Having a travel diary allows you to monitor and check your travel activities for all trips. It also helps in making claims much easier, especially when apportioning the costs.

The travel diary should be dedicated to every trip you take away from home. It is a requirement that you keep a travel diary if you have travelled away for six or more nights in a row. However, some exceptions are in place, including:

- ✓ Your trip is only within the country, and it meets the two requirements mentioned in the previous section, "When are Receipts Not Required?"
- ✓ You are an international flight crew member, and your claim is less than the allowance your employer gave you.

Travel diaries should be written in English and can either be on paper or an electronic copy.

They should show all your movements for a specific trip, including accommodation, meals, and other costs.

Write down your location, what you were doing, and the times of each activity from start to finish.