

Real Estate Professional

This is summary information for more details please visit our website or call us

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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 and 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 real estate agency to your second job as a waiter
- drive to and from an alternate workplace for the same employer on the same day – eg travelling between two different residential open homes.

✗ 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 to attend a weekend auction.

In limited circumstances **you can claim** the cost of trips between home and work, where:

- you had shifting places of employment (that is, you regularly worked at more than one site each day before returning home)
- you were required to carry bulky tools or equipment for work and all of the following conditions were met
 - The tools or equipment were essential for you to perform your employment duties and you didn't carry them merely as a matter of choice.
 - The tools or equipment were bulky – meaning that because of their size and weight they were awkward to transport and could only be transported conveniently by the use of a motor vehicle.
 - There was no secure storage for the items at the workplace.

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.

✗ 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.

Clothing and grooming 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 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.

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.

Gifts



- ✓ You can claim** a deduction for the cost of gifts – eg alcohol, flowers – bought for work purposes if you are a salesperson or property manager entitled to receive your income from commission or both commission and retainer.
- ✗ You can't claim** a deduction if you earn a fixed income and you are not entitled to earn a commission.
- ✗ You can't claim** a deduction for gifts that are in the form of entertainment – eg a live sporting event.