

## Trying to magically make a tax return appear? Here's what you can't claim

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**Ever wondered why you can claim for travel between work sites, but not to and from home?**

Or why office clothes aren't claimable on tax?

We spoke to the Australian Tax Office's Assistant Commissioner Kath Anderson about some of the most common misconceptions about tax refunds.

### Why can't I claim for travel to and from work?

"Well it really goes back to that principle about when you're on work it's deductible, but when you're getting to work it's private," Ms Anderson said.

"So if you think about the sort of golden rules that we apply ... number one is that you've had to spend it and not been reimbursed, number two is that you incurred the expense in earning your income.

"Your boss doesn't generally pay you until you're actually at work.

"Sometimes there's some limited circumstances when you might be ... [at] work earlier, for example if you've got to move bulky tools or something like that, but generally your deductions should relate to your income and where you sort of choose to live. Your mode of transport in getting to work that's a private issue, it's not something that's associated with you actually earning your income."

**However, the ATO will let you claim for travel between two places of work, as long as you don't go home in between.**

### I buy nice clothes to wear to work, why can't I claim them?

"Well it's really about whether it's a private sort of expense or whether it's a work-related expense," Ms Anderson said.

"So for uniforms there's the compulsory or non-compulsory but you're required to wear them.

"I think it's important that people are aware their everyday clothes which could be worn for any other purpose don't form part of that kind of uniform.

"And it really does come back to well, it's not really fair to be claiming a deduction for something that you could be wearing anywhere and that's not specifically tied to your work.

"There are some things that you can claim like your uniforms, your protective clothes and your occupation-specific clothing like chefs pants and things like that because [you] probably wouldn't be seen in those out."



**PHOTO:** We take a look at some of the things the ATO won't let you pull out of a hat. (Flickr: Christophe Verdier)

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**The short of it? You can claim a deduction for the cost of buying and cleaning occupation-specific clothing, protective clothing and unique, distinctive uniforms.**

## Everyone has a mobile phone, does that mean we all get to claim for work use?

"It's really about whether you can demonstrate whether you really needed to use the mobile phone for work-related purposes," Ms Anderson said.

She said there is two components to that.

"One is about the phone itself and the other is about your sort of ongoing use of it," she said.

"It's reasonably easy usually to establish what your ongoing use of it was, hopefully you've got an itemised bill, but if you haven't there's ... a diary you might be able to keep ... to establish what the difference is and you can use the same sort of allocation across the cost of the phone itself.

"The important thing is that you can actually demonstrate what was work-related and be able to show us how you came up with that and ... obviously receipts are the easiest thing.

"If you are claiming over \$50 you do need those quite detailed records, whereas if you're claiming under \$50 you still need to have spent the money but there is less of an onus on you to have the full set of records."

**She said any sort of mobile phone use diary should span four weeks of usage.**

## I buy heaps of charity raffle tickets, why don't they count?

"Once again it's back to that principal about 'is it a private expense?'," Ms Anderson said.

"So if you're getting something in return for it, then it's treated as private so that's why ... even if what you're getting in return is a chance to win a great home or whatever it might be, you are still getting something in return which is deemed private."

**But, according to the ATO, you can claim a tax deduction for gifts or donations to organisations that have the 'status of deductible gift recipients' if you have a receipt.**

## If I check my email at home, does that count as a home office?

Not quite.

"I think there are more and more people working from home and I think that is an area that we do look into to make sure that people really are ... following those three golden rules, there are some particular rules around home office ... that that we keep an eye on," Ms Anderson said.

"It ... comes back to, yes they might be considered working from home, but what sort of expense might they be trying to claim.

"So if for example they were checking work emails and it took two minutes in a day, so their claim would be somehow calculated on two minutes.

"If they are actually setting aside a specific room, they might be able to claim some component of their costs of operating, you know if they have a study or something like that, they might be able to claim some of their costs of operating, but if they are just sitting in the lounge room, checking their emails as they come up, that would be a little bit harder to be able to demonstrate that you're entitled to any component of your actual home costs."

**See the ATO's fact sheet about what you can claim.**

## What's the biggest misconception about what you can claim?

"The biggest one, there's probably a bit of a myth out there that people can claim \$300 as a standard deduction, and you know, what they've probably heard is that you can claim it without having to have all of the substantiation," Ms Anderson said.

"But you still have to have incurred it.

"I think people are getting a bit confused and are thinking, 'I don't even have to have paid for it I can just claim that standard deduction'.

"It's similar with things like laundry. You know there are amounts under which you don't have to have all the detailed records but you still have to have spent it and what we're finding is that people are there claiming it even when they haven't spent it."

**She said taxpayers would be chased up and asked for some proof they'd incurred the fee up to the \$300.**

## What's the weirdest claim you've ever heard of?

"This one was actually legitimate," Ms Anderson said.

"It surprised me because I hadn't really thought about it.

"It was a magician's rabbit and ... the guy was able to claim not only the rabbit but also the carrots that the rabbit ate."

## How does the ATO make sure people are doing the right thing?

"The ATO scrutinises every tax return and crosschecks the information provided by taxpayers with over 650 million pieces of data provided by employers, banks and other third-parties to ensure all income is declared," Ms Anderson said.

"The ATO takes firm action against people who intentionally falsify information on their tax returns, including penalties or prosecution in serious cases.

"Each case will need to be considered based on the facts and circumstances.

"The ATO sometimes imposes penalties and there is more information available on our website."

**Topics:** tax, business-economics-and-finance, federal-government, australia

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