



Australian Government  
Australian Taxation Office

# Record keeping

## Set the record straight



### To claim a deduction for work-related expenses:

- ✔ **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\*.
- You can only claim the work-related part of expenses. If an expense relates to both work and private purpose, you must apportion the expense on a reasonable basis and only claim the work-related portion.

\* Use the [myDeductions](#) tool in the **ATO app** to keep a record of your expenses throughout the year.



### Records you need to keep

If you claim work-related deductions you must have records or be able to show how you calculated your claims.

Records are usually a receipt from the supplier of the goods or services.

The receipt must show the:

- name of supplier
- amount of expense
- nature of goods or services
- date the expense was paid
- date of the document.

### Record keeping exceptions

Record keeping exceptions are available to make things simpler – they don't allow you to claim an automatic deduction.

⚠ In some circumstances you may not need receipts, but you will still need to show you spent the money and how you calculated your claim.



### Representative periods

If your usual pattern of work use changes during the year, you may need to complete a new record. For example, if you change job and the work use of your internet changes you need to complete a new diary.



### Keeping your records

You need to keep your records for five years from the date you lodge your tax return.

If you are claiming for the cost of a **depreciating asset** that you have used for work – for example, a laptop – you must keep purchase receipts and a depreciation schedule, or details of how you calculated your claim for decline in value, for **five years following your final claim**.

As we may ask that you produce your records during the five years, it is important that you have sufficient evidence to support your claims.

### Commissioner's discretion

If you are unable to obtain a receipt from a supplier, you can still claim a deduction if we are satisfied that the nature and quality of the evidence shows you:

- spent the money
- are entitled to claim a deduction.

Evidence can include bank or credit card statements which show the amount that was paid, when and who it was paid to, as well as other documents which outline the nature of the goods or services provided.

⚠ If you paid cash to a supplier and have no other documentation to support your claim, you will not have sufficient evidence to claim a deduction.

### myDeductions

The records you keep don't have to be in paper form. Records made and stored electronically are recognised as documents – this includes photos of your receipts.

Keeping track of your records on the go is easy with the [myDeductions](#) tool in the ATO app.

In myDeductions you can keep records of:

- any work-related expenses (including car trips)
- interest and dividend deductions
- gifts or donations
- cost of managing tax affairs
- other deductions.

Then, at tax time, you can upload your records into myTax or send them to your agent.

[Download the app](#) now – it's free from your app store.

## How the record keeping rules apply to different expenses

### Car expenses

You can claim a deduction for using a car that you owned, leased or hired under a hire purchase agreement using the cents per kilometre or logbook method. The type of car expense records you need to keep depends on the method you used to calculate your claim.

#### Method 1: Cents per kilometre

You don't need receipts but you need to be able to show how you worked out your business kilometres (for example, by producing diary records of your work-related trips). If you use the cents per kilometre method, your claim is based on a set rate (72 cents per kilometre from 1 July 2020) for each business kilometre travelled. You can claim a maximum of 5,000 kilometres per car.

⚠ If you borrowed a car or used a vehicle other than a car (for example, a motorcycle or a vehicle with a carrying capacity over one tonne, such as a utility truck or panel van) you cannot claim your expenses using either of the two methods.

Instead, you need to keep all your receipts (such as fuel and repairs) and claim the work-related portion of these costs as a travel expense, not a car expense. While it is not a requirement for you to keep a log book, it is the easiest way to show how you calculated your work-related use of the vehicle.

#### Method 2: Logbook

Your claim must be based on the percentage of work use of your car. To work this out you need to keep a valid logbook.

Your logbook must:

- cover a minimum continuous period of 12 weeks and be broadly representative of your travel throughout the year

- include the purpose of every journey, odometer reading at the start and end of each journey and total kilometres travelled during the period
- include odometer readings at the start and end of each income year.

Your logbook is valid for five years, but you can start a new logbook at any time. If the work use of your car is no longer representative of work-related travel you undertake, you need to complete a new logbook.

You can claim fuel and oil costs based on your actual receipts, or you can estimate the expenses based on odometer readings from the start and the end of the period in which you used the car during the year.

You must keep:

- original receipts for all other expenses for the car
- details of how you calculated your claim for decline in value of your car, including the effective life and method used.

If your claim relates to the transport of bulky tools and equipment, you will need:

- a record of all work items carried
- the weight and size of all work items
- evidence the items carried are essential to your work
- evidence that your employer provided no secure storage at the workplace.

⚠ Remember to include on your tax return any allowances that you receive from your employer for car expenses.

### Travel expenses

There are specific record keeping requirements for travel expenses, depending on:

- whether your travel allowance is shown on your income statement or payment summary
- whether your travel was domestic or overseas
- the length of your travel and your occupation.

Travel records you should keep include:

- a travel diary or itinerary, if your travel was for six nights or more
- receipts for all meals, airfares, accommodation, car parking and tolls
- an explanation of how the travel was work-related, the number of nights you slept away from home and the location.

If your travel allowance is shown on your income statement or payment summary and you want to make a claim against it, you can claim a deduction for the amount you spent on accommodation, meals and incidentals for travel **within Australia** without keeping receipts if that amount does not exceed the reasonable amounts.

For travel **outside Australia**, you must always provide receipts for accommodation, but you can claim the amount spent on meals and incidentals without receipts if that amount does not exceed the reasonable amounts. If you claim more than the reasonable amounts, you must have written evidence for the whole amount, not just the excess over the reasonable amount.

Reasonable amounts for accommodation, meals and incidentals are provided to make record keeping simpler, not to provide an automatic deduction – you can only claim the amount you spent.

Although you may not need records, you will still need to show how you calculated your claim.

### Clothing, laundry and dry-cleaning expenses

#### Clothing

You need to keep receipts to claim for the purchase of occupation-specific clothing, protective clothing, or unique and distinctive uniforms.

#### Laundry

If your claim for laundering (washing and ironing) occupation-specific clothing, protective clothing or unique and distinctive uniforms is less than \$150, you do not have to keep written evidence however you must keep details of how you calculated your claim.

#### Dry-cleaning

Dry-cleaning is not included in the \$150 exception for laundry expenses so you must keep all receipts for dry-cleaning your occupation-specific clothing, protective clothing or unique and distinct uniforms.

## How the record keeping rules apply to different expenses (continued)

### Phone and internet

#### Claiming \$50 or less

If the work use of your phone is incidental, and you are not claiming a deduction of more than \$50, you may make a claim based on the following:

- 25 cents for each work call made from your landline
- 75 cents for each work call made from your mobile
- 10 cents for each text message sent from your mobile.

#### Claiming more than \$50

To claim a deduction of more than \$50 you must:

- keep all your phone and internet bills for the year
- show how much is related to work.

#### If your bills are itemised

For your phone expenses, highlight all your work-related calls in a representative four-week period which can then be applied to the full period. You can determine the work-related percentage by dividing the number of work calls by the total number of calls in that four-week period or the amount of time spent on work calls by the total time spent on all calls in that four-week period.

For your internet expenses, you can keep a diary covering a representative four-week period showing how often you, and other members of your household, use the internet for work and personal purposes. This can be based on the time spent or the data used by you for work purposes compared to your personal usage and that of all members of your household. This pattern of work use can then be applied to the full working period.

#### Bundled plans

If you have a bundled plan, you need to apportion the total cost of the plan between the services covered before determining your work-related use of each service. This can be done based on the supplier's cost or a comparable supplier's cost of each separate service.

### Working from home

When claiming the additional running costs you incur while working from home (such as electricity and home office equipment) the types of records you need to keep depends on the method you use to work out your claim – temporary shortcut method, fixed rate method or actual costs.

#### Shortcut method

If you are using the all-inclusive temporary [shortcut method](#) (80 cents per hour worked from 1 March 2020 to 30 June 2022) keep a record of the total hours worked from home by keeping your timesheets, rosters, diary or other similar record. As you can't claim any additional expenses, you do not have to keep any receipts or other records.

#### Fixed rate

If you are using the [fixed rate](#) method (52 cents per hour from 1 July 2020), either keep records of your actual hours spent working at home for the year or keep a diary for a representative four-week period to show your usual pattern of working at home. Also keep receipts for expenses not covered by the rate per hour and evidence showing how you determined the work-related portion of those expenses.

#### Actual costs

If you are claiming the [actual costs](#) you have incurred, keep your receipts or statements for all expenses you incurred and capital items you purchased (for example, stationery, desk, electricity and gas).

### Self-education expenses

You must keep receipts for all self-education expenses, including course fees, text books, stationery and travel expenses.

You must also be able to explain how the course directly related to your employment at the time of study.

If you are claiming the portion of a depreciating asset that you have used for self-education – for example, a laptop – you must keep receipts and a depreciation schedule, or details of how you calculated your claim for decline in value.

### Specific records required for depreciating assets


Some items, like a computer or car, have a limited life expectancy (effective life) and are expected to decline in value over time.

You must keep receipts that show the:

- name of supplier
- cost of the asset
- nature of the asset
- date you acquired the asset
- date of the document.

You also need to be able to show:

- the date you first started using the asset for work-related purposes
- the effective life of the asset (how long an asset can be used for). If you have not adopted the effective life determined by us, you will need to show how you worked out the effective life
- the method used to work out the decline in value
- how you have calculated the percentage of work use.

 The [depreciation and capital allowances](#) tool will help you claim a decline in value deduction for a depreciating asset and assist you with some of these record keeping requirements.

## This is a general summary only

For more information, go to [ato.gov.au/keepingrecords](https://ato.gov.au/keepingrecords) or speak to a registered tax professional.