

Work Related Travel Expenses

Please complete and send in with your 2023 Individual Tax Return checklist

CLIENT NAME:		CLIENT SIGNATURE:	X
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VEHICLES: 1 TONNE or MORE, 9 PASSENGERS or MORE, MOTORCYCLES OR NOT OWNED/LEASED BY YOU

EXPENSES INCURRED 1 July 2022 to 30 June 2023

Fuel:	\$	Registration:	\$
Insurance:	\$	Repairs:	\$
Interest Paid:	\$	Other:	\$
Make and Model:		Owner and ownership %	
Date Purchased:	___ / ___ / _____	Purchase Price:	\$
<input type="checkbox"/> Leased <input type="checkbox"/> Hire Purchase <input type="checkbox"/> Paid Cash Please provide documentation if not already provided			

One of the biggest misconceptions associated with claiming motor vehicle expenses that relate to a vehicle that is not a car (eg One tonne ute) is that, because of the inherent nature of such a vehicle being a 'work-horse' vehicle, it is often assumed that such a vehicle is used 100% for work related or business purposes.

As a result, based on recent audit adjustments, the ATO is likely to focus on those claims which are based on a 100% work use of a vehicle where;

- the employee does not have access to any other vehicle after hours, which may indicate that their vehicle is also being used for private purposes.
- The employee's travel between home and work is not deductible eg the employee does not transport heavy/bulky equipment between home and work, or the employee carries such equipment but does not satisfy the deductibility criteria.

It would be advisable to keep a valid 12 week logbook to identify your vehicle work use percentage. A logbook is valid for 5 years but a reasonable estimate should be applied should you have a change in pattern use of the vehicle eg annual or long service leave.

You must have invoices for all work related travel expenses that you wish to claim.

You can claim travel expenses directly connected with your work. The receipt of a travel allowance does not automatically entitle you to a deduction. Equally, the absence of an allowance does not necessarily prevent the travel expenditure from being deductible.

Travel expenses you may be able to claim include meals, accommodation and incidental expenses incurred whilst travelling overnight for work (e.g. going interstate for a work conference). Generally, if your travel does not involve an overnight stay, you cannot claim for meals even if you received a travel allowance. Other travel expenses that you may be able to claim include air, bus, train and taxi fares, bridge and road tolls, parking and car hire fees.

IMPORTANT: This is not advice. Clients should not act solely on the information contained within. Items herein are general comments only and do not constitute or convey advice per se. Also changes in legislation may occur quickly. We therefore recommend that our formal advice be sought before acting. This information is issued as a helpful guide to clients and for their private information. Therefore it should be regarded as confidential and not be made available to any person without our prior approval. © AVANCE, Chartered Accountants, photocopying of this document is only at the approval of its Directors. Issue Date: 12/07/2023

Work Related Travel Expenses

Special substantiation rules apply to expenses in relation to overseas and domestic travel.

DOMESTIC TRAVEL EXPENSES INCURRED – 1 July 2022 to 30 June 2023			
Short Term Car Hire:	\$	Taxi Fares:	\$
Public Transport Fares:	\$	Parking Fares:	\$
Bridge and Road Tolls:	\$	Overnight Meals:	\$
Overnight Accommodation:	\$	Other:	\$
Do you have written evidence to support incurring the expenses?	<input type="checkbox"/> YES <input type="checkbox"/> NO	For travel exceeding six (6) consecutive nights - did you keep a travel diary?	<input type="checkbox"/> YES <input type="checkbox"/> NO
OVERSEAS TRAVEL EXPENSES INCURRED – 1 July 2022 to 30 June 2023			
Overseas Car Hire:	AUS \$	Overseas Taxi Fares:	AUS \$
Overseas Air Fares:	AUS \$	Other:	AUS \$
Other:	AUS \$	Other:	AUS \$
Do you have written evidence to support incurring the expenses?	<input type="checkbox"/> YES <input type="checkbox"/> NO	For travel exceeding six (6) consecutive nights - did you keep a travel diary?	<input type="checkbox"/> YES <input type="checkbox"/> NO

The effect of the substantiation rules is that domestic and overseas travel expenses are not deductible unless the following two conditions are satisfied:

- (1) written evidence must be obtained in respect of expenses relating to travel, regardless of the length of absence from home; and
- (2) travel records (i.e. travel diary or similar) must be kept by a taxpayer where the taxpayer was away from the ordinary place of residence for six (6) or more consecutive nights.

Your travel diary must record:

- the exact nature of the activity;
- the day and the approximate time when it began;
- how long it lasted; and
- where you engaged it.

Although this requirement does not apply to claims against domestic travel allowances received which do not exceed the Tax Commissioner's reasonable allowances guidelines, this area is an ATO target. While eliminating the need for detailed calculations and documents, it does still require the taxpayer to demonstrate the reasonableness of their claim and some form of explanation may be requested by the Tax Office.

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A summary is enclosed for your reference:

TRAVEL EXPENSE RECORDS	Domestic Travel		Overseas Travel	
	Written Evidence	Travel Diary	Written Evidence	Travel Diary
Where a travel allowance is not received and travel is less than 6 nights in a row	✓		✓	
Where a travel allowance is received and the claim does not exceed the reasonable allowance amount and travel is less than 6 nights in a row			✓*	
Where a travel allowance is received and the claim does exceed the reasonable allowance amount and travel is less than 6 nights in a row	✓		✓	
Where a travel allowance is not received and travel is 6 nights or more in a row	✓	✓	✓	✓
Where a travel allowance is received and the claim does not exceed the reasonable allowance amount and travel is 6 nights or more in a row			✓*	✓
Where a travel allowance is received and the claim does exceed the reasonable allowance amount and travel is 6 nights or more in a row	✓	✓	✓	✓

✓* written evidence is required for overseas accommodation expenses – regardless of the length of the trip

NOTE – ATO TARGET AREA!!! TAX OFFICE MAY SEEK EXPLANATION ON HOW THE EXPENSES WERE INCURRED IN RELATION TO CLAIMING THE REASONABLE ALLOWANCE FULL AMOUNT eg. menu’s, price list etc

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