



What are the most common tax deductions for nurses and healthcare workers?

Nurses and healthcare workers do an important job keeping society healthy and well-cared for, but these professionals also need to take care of their finances as well as they take care of people they look after.

If you work in the healthcare industry and don't know what you can claim at tax time, or don't keep the right records, you might be missing out on reclaiming money you've had taken from your wage or salary in tax throughout the year. You have one opportunity to make your claims each year, and it's a good idea to make them count.

Records keeping

The Australian Taxation Office (ATO) has three golden rules when it comes to claiming your tax:

1. You must have already spent the money
2. The expense must be work-related and you must not have been reimbursed by your employer
3. You must be able to prove the expense

Recording your expenses and sorting them into categories of expenses as they occur not only keeps you on track, but will save you time and effort putting everything together at tax time. Receipts tell the story of your work expenses. Many are essential for filing your taxes. The ATO requires all of the information stored on a receipt in order to justify your claim.

Receipts are proof of your expenses and are a lifesaver in the rare chance you're audited or asked to show documentation. The ATO allows digital copies of receipts as long as they are a clear and true representation of the original.

Pro tax tip: Many healthcare workers receive an allowance for travel, telephone, internet, uniforms and being on-call. These should be included on your tax return as a separate amount on your tax return. You cannot claim any reimbursements your employer has paid to you.

Most tax benefits come from the out-of-pocket expenses incurred as a part of doing your job, and you haven't been reimbursed by your employer.

So, what are the most common deductions you should be aware of?

Uniforms

Healthcare workers are required to wear a distinctive uniform, which includes protective clothing worn while undertaking employment. You can claim a deduction for the cost of buying, hiring, mending or cleaning certain uniforms that are unique and distinctive to your job – e.g. a compulsory doctor's uniform – or protective clothing that your employer requires you to wear – e.g. lab coats or surgical caps.

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You can claim a deduction for the cost of cleaning and repairing occupation-specific clothing, protective clothing and unique, distinctive uniforms. You'll need written evidence to support your claim for dry cleaning costs and if you wash your uniform at home, you'll need to keep a diary to claim your laundry expenses if your claim is over \$150. If you total claims exceeds \$300, which include care, meals, award transport allowances and travel allowance, you'll need to back up your claims with a log book and receipts.

You won't need written evidence for laundry expense if you launder your uniform at home, but you will need to show how you worked out your claim by keeping a worksheet or diary entry. The ATO allows \$1 per load if you're only washing work-related clothing, or 0.50 cents per load if laundered with other personal clothing items.

Car expenses

Travel can't be claimed between your residence and your place of work, if you travel from job to job throughout the day, there are a range of car expenses you'll be able to claim. You can use the cents per kilometre or log book method to make your claims. You'll need to keep a log book, or complete a worksheet as well as all of your receipts to show how you calculated your expenses.

Self education

It's quite common to study when working to keep your skills current in the healthcare industry. To be able to claim a deduction for self education, there must be a direct and clear link to your current employment. You'll need to show that the course improves your skills or knowledge. Miscellaneous items can also be claimed for self-education, including the travel expenses between your place for work and study, stationery, phone, internet, books, laptops and computers.

You'll also be able to claim the cost for seminars, conferences, training courses and first aid courses if it directly relates to your current employment.

Capital expenses

Often healthcare workers purchase capital equipment in order to do their jobs. Items such as stethoscopes, nurse's fob watches, medical equipment, computers, mobile phones and daily organisers can be claimed outright through the instant asset write off or depreciated over a period of time.

Other expenses you can claim a deduction for include:

- professional indemnity insurance
- medical journal subscriptions and publications
- AMA or other medical professional association membership fees
- the work-related portion of phone expenses
- overtime meals
- medical equipment and insurance for that equipment.

Use a Tax Agent

If your situation is complex or you just want peace of mind knowing that you have claimed every deduction you can, a registered tax agent will quickly and thoroughly help you lodge your return. Not only will you be able to extend lodging your return past the 31 October deadline, but you can be assured you have made every available claim that can be made. Little amounts do add up. As a bonus, the fee you pay to the tax agent can be claimed on the following year's return.

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