



## *Top Jobs With The Largest Tax Deductions*

It's true that not all jobs result in the same pay packet. Once a year, Australians take stock of their income and work out their work-related expenses. Most Australians claim around \$3,041 tax deductions come tax time, however there are some professions that claim much more than the average.

Professionals, such as surgeons, real estate agents and lawyers top the list as those claiming the fattest tax deductions, at an average claim of \$21,184.

### **What Are The Highest Work-Related Claims By Occupation?**

#### **Occupation    Average deduction claim**

|                   |          |
|-------------------|----------|
| Surgeon           | \$21,184 |
| Real estate agent | \$8,616  |
| Lawyer            | \$6,861  |
| Truck Driver      | \$5,058  |
| Tradie            | \$4,998  |
| Farmer            | \$4,450  |
| Engineer          | \$4,177  |
| Vet               | \$3,468  |
| Accountant        | \$3,169  |
| Teacher           | \$3,172  |

### **Why the large deductions?**

These claims may be high, but so are the private expenses for these occupations. Surgeons incur high self-education expenses in order to keep ahead of their field, as well as having to pay for insurances and licenses that are often a personal expense. Real estate agents claim higher travel and car expenses, as well as licenses required to do their jobs. Lawyers often need to continue study to keep abreast of changes in their field as well as pay out for licenses that enable them to practise. The higher the personal expense, the higher the claim.

### **Good Record Keeping**

Tax refunds are worked out based on an individual's occupation, as well as their ability to keep track of their expenses to prove their claim. Keeping track of your expenses as they occur as well as backing up receipts can have a big impact on ultimately what can be claimed.

**Pro tax tip:** The ATO allows electronic copies of receipts as long as they are a clear and true representation of the original. By backing up receipts and logging them as an expense as they occur goes a long way to making sure you're claiming everything you're entitled to.

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While the ATO is strict regarding what can and cannot be claimed, there are many tax deductions that the average Australian misses out on because they simply don't know what they can claim.

## Healthcare And Social Care

If your profession requires you to wear a uniform or special article of clothing, safety or protective clothing for you to perform your role, the personal cost is claimable. You can even claim the cost of cleaning and repair of your uniform or safety clothing.

Conferences, seminars, self-education courses, as well as the business-related travel, accommodation and meals incurred can be claimed. If the trip was overseas, you may need to apportion the personal cost from your overall expenses.

Professional subscriptions, journals, books, and professional bodies such as AMA or trade union fees can be deducted, as can overtime meals, agency fees and car expenses.

## Retail Workers

If you're required to wear a clearly-defined uniform and haven't been reimbursed by your employer, your expense is claimable. Most clothing is regarded as personal by the ATO. Only articles of clothing that can be clearly defined as belonging to your work and that enables you to do your job is a legal claim.

If you work from home, you'll be able to claim running costs and occupancy expenses for your business-related hours. The flat rate or actual cost methods may be used.

If you've had to attend a first aid course, or another work-related course that directly relates to improve your skills and knowledge related to your current job, the expense is claimable.

If you travel between stores, or have to temporarily work from another location, you might be able to claim your travel and car expenses, especially if you've had to deliver stock using your private car.

## Professional and Admin Workers

The cost of a briefcase, laptop bag or case to carry your work-related equipment may be claimed. If you work from home after hours or on the weekends, you'll be able to claim running and occupancy costs

for your work-related hours. That includes heating, cooling, electricity, phone and internet. Be wary of claiming occupancy expenses as that might incur Capital Gains Tax if you sell or move.

Practising certificates and licenses required to practise your job can be claimed, as can travel for your work-related journeys. While you can't usually claim the cost of travelling from home to your place of work, there are some exceptions on an individual basis. Keep a travel log in order to prove your claim. This should state the reason for your journey, date, odometer reading and time travelling. A flat rate or actual costs incurred methods can be used.

## Education and Training Workers

Expenses incurred as part of teaching your classes, laptops, teacher aids, printers, toners, art materials equipment and capital equipment are legal claims. Capital equipment under \$300 can be instantly written off, but larger pieces of equipment may need to be depreciated.

Annual memberships, subscriptions to professional organisations and trade union fees are tax deductible. The role of teachers isn't limited to the classroom, with many hours spent after hours or on the weekends preparing lessons and grading student's work. Working from home expenses can be claimed. Keep a diary to show your working hours and your receipts to prove your expenses. A flat rate or actual costs can be claimed.

If sports days and camping costs have been an out-of-pocket expense and not reimbursed by the school, these costs are claimable. This includes meals, transport and accommodation costs.

## Construction and Manufacturing Workers

You can claim the costs of any tools or other work-related equipment that you have paid for out of your own pocket and is required for your job. An immediate deduction can be claimed for purchases under \$300. Anything more expensive can be depreciated over the life of the tool. Insurance, cleaning and repair to your tools can also be claimed.

If you've had to purchase a uniform or special safety gear, such as high-vis vests, safety goggles and steel-capped boots needed for your job, you can claim.

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Travel expenses can be claimed if you've had to travel from job to job or had to carry bulky items over 20kg to and from your job. Keep a log book of your travel times. A flat rate or actual costs may be claimed. There are rules surrounding each method. A Tax Accountant will work out which will yield you the better tax return on your costs.

### Can You Say Yes

The best rule of thumb to determine if your claim is legitimate, is to ask yourself these questions:

1. Is your claim work-related?
2. Did you incur the expense directly for your income?
3. Did you pay for it yourself?
4. Did you use your own money to incur the expense from your private funds?
5. Do you have a receipt as evidence of your claim?

No matter what your profession is, the cost of a tax agent is fully tax deductible. Not only will you claim all your expenses and get a better tax return on average, you're hiring a professional.

*The best way to make sure that you're claiming everything you're entitled to, is to seek the advice of a Tax Accountant, who has the knowledge and experience to work out your greatest deductions. ITP Tax Accountants have been helping Australian individuals and businesses for 50 years. Call on 1800 367 487 or book an appointment today.*

*ITP The Income Tax Professionals are more than tax agents. They have been helping Australian individuals and businesses with their business accounting and advice for 50 years and offer a wealth of knowledge. Speak to a Professional today and see how your business can be more profitable.*



**THE INCOME TAX  
PROFESSIONALS**