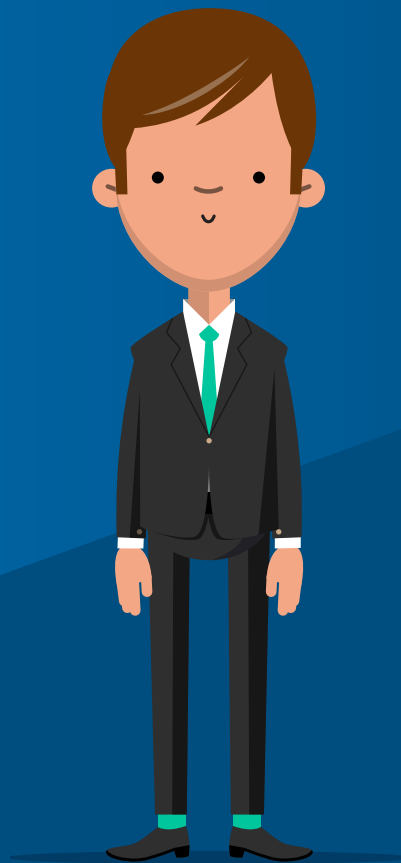


2021

Tax Time Toolkit

Real estate



Australian Government
Australian Taxation Office

Helpful occupation guides and information for tax time

We encourage you to share this information with your staff, clients, members and networks.

The following pages contain practical and tailored information to help real estate professionals, property managers, brokers and administration staff understand what they can and can't claim in their tax return.

You'll find tips as well as 'ready to use' messages you can adapt for your own communication channels.

Occupation guides:

- [Office worker](#)
- [Real estate professional](#)

Common claims:

- [Car expenses](#)
- [Gifts and donations](#)

Ready-to-use messages:

- [Article](#)
- [Social media posts](#)

If you're a real estate professional, it pays to learn what you can claim at tax time



To claim a deduction for work-related expenses

- you must have spent the money yourself and weren't reimbursed
- it must be directly related to earning your income
- you must have a record to prove it.*

You can only claim the work-related part of expenses. You can't claim a deduction for any part of the expense that relates to personal use.

* You can use the ATO app myDeductions tool to keep track of your expenses and receipts throughout the year.

Car expenses



- ✓ **You can claim** a deduction when you:
 - drive between separate jobs on the same day – eg travelling from your real estate agency to your second job as a waiter
 - drive to and from an alternate workplace for the same employer on the same day – eg travelling between two different residential open homes.
- ✗ **You generally can't claim** the cost of trips between home and work, even if you live a long way from your usual workplace or have to work outside normal business hours – eg to attend a weekend auction.

There are limited circumstances where you can claim the cost of trips between home and work, such as where you carry bulky tools or equipment for work – eg a large 'for sale' sign and tools to erect it. The cost of these trips is deductible only if:

- your employer requires you to transport the equipment for work
- the equipment was essential to earning your income
- there was no secure area to store the equipment at the work location, and
- the equipment is bulky – at least 20kg or cumbersome to transport.

If you claim car expenses, you need to keep a logbook to determine the work-related percentage, or be able to demonstrate to the ATO a reasonable calculation if you use the cents per kilometre method to claim.

Travel expenses



- ✓ **You can claim** a deduction for travel expenses if you have to travel overnight from your usual work location – eg traveling to a remote area to inspect a property – provided the cost was incurred while carrying out your work duties. Travel expenses may include meals and accommodation, fares, petrol and incidentals such as parking fees and tolls.
- ✗ Receiving a travel allowance from your employer does not automatically entitle you to a deduction. You still need to show that you were away overnight, you spent the money yourself, and the travel was directly related to earning your income – eg it was not a personal expense.

Clothing and grooming expenses



- ✓ **You can claim** a deduction for the cost of buying, hiring, mending or cleaning certain uniforms that are unique and distinctive to your job eg clothing items you're required to wear which have a logo that is unique and distinctive to your employer.
- ✗ **You can't claim** a deduction for the cost of buying or cleaning plain clothing worn at work, even if your employer tells you to wear it and even if you only wear it for work, eg black pants and a white shirt.
- ✗ **You can't claim** a deduction for hairdressing, cosmetics, hair and skin care products, even if your employer tells you to use them, or you are required to be well-groomed.

Home office expenses



- ✓ **You can claim** a percentage of the running costs of your home office if you have to work from home, including depreciation of office equipment, work-related phone calls and internet access charges, and electricity for heating, cooling and lighting costs. If you are required to purchase equipment for your work and it costs more than \$300, you can claim a deduction for this cost spread over a number of years (depreciation).
- ✗ **You generally can't claim** the cost of rates, mortgage interest, rent and insurance.

Other common deductible work-related expenses



- ✓ Other expenses you can claim a deduction for include:
 - marketing equipment – eg the work-related portion of cameras used for property photos
 - decorating properties – eg flowers
 - renewing your annual Certificate of Registration
 - union and professional association fees
 - technical or professional publications.

Gifts



- ✓ **You can claim** a deduction for the cost of gifts – eg alcohol, flowers – bought for work purposes if you are a salesperson or property manager entitled to receive your income from commission or both commission and retainer.
- ✗ **You can't claim** a deduction if you earn a fixed income and you are not entitled to earn a commission.
- ✗ **You can't claim** a deduction for gifts that are in the form of entertainment – eg a live sporting event.

This is a general summary only.
For more information, go to ato.gov.au/occupations



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If you're an office worker it pays to learn what you can claim at tax time



To claim a deduction for work-related expenses

- you must have spent the money yourself and weren't reimbursed
- it must be directly related to earning your income
- you must have a record to prove it.*

You can only claim the work-related part of expenses. You can't claim a deduction for any part of the expense that relates to personal use.

* You can use the ATO app myDeductions tool to keep track of your expenses and receipts throughout the year.

Car expenses



- ✓ **You can claim** a deduction when you:
 - drive between separate jobs on the same day – eg from your office job to a second job as a musician
 - drive to and from an alternate workplace for the same employer on the same day – eg travelling to a different office to attend a meeting for the same employer.

- ✗ **You generally can't claim** the cost of trips between home and work, even if you live a long way from your usual workplace or have to work outside normal business hours – eg having to work late to speak to a colleague in a different time zone.

In limited circumstances **you can claim** the cost of trips between home and work, where you were required to carry bulky tools or equipment for work and all of the following conditions were met:

- The tools or equipment were essential for you to perform your employment duties and you didn't carry them merely as a matter of choice.
- The tools or equipment were bulky – meaning that because of their size and weight they were awkward to transport and could only be transported conveniently by the use of a motor vehicle.
- There was no secure storage for the items at the workplace.

If you claim car expenses, you need to keep a logbook to determine the work-related percentage, or be able to demonstrate to the ATO a reasonable calculation if you use the cents per kilometre method to claim.

Self-education expenses



- ✓ **You can claim** a deduction for self-education expenses if your course relates directly to your current job, eg human resource training for a manager.
- ✗ **You can't claim** a deduction if your study is only related in a general way or is designed to help get you a new job, eg a health and wellbeing course.

Travel expenses



- ✓ **You can claim** a deduction for travel expenses if you are required to travel overnight and don't attend your usual work location – eg travelling to a remote office, provided the cost was incurred while carrying out your work duties. This could include meals, accommodation, fares and incidental expenses that you incurred and your employer has not provided or reimbursed you.
- ✗ Receiving a travel allowance from your employer does not automatically entitle you to a deduction. You still need to show that you were away overnight, you spent the money yourself, and the travel was directly related to earning your income.

Home office expenses



- ✓ **You can claim** a percentage of the running costs of your home office if you have to work from home, including depreciation of office equipment, work-related phone calls and internet access charges, and electricity for heating, cooling and lighting costs. If you keep a diary of your home office usage, you can calculate your claim quickly using the home office expenses calculator.
- ✗ **You generally can't claim** the cost of rates, mortgage interest, rent and insurance.

Clothing expenses



- ✓ **You can claim** a deduction for the cost of buying, hiring, mending or cleaning certain uniforms that are unique and distinctive to your job – eg clothing items you're required to wear which have a logo that is unique and distinctive to your employer – or protective clothing that your employer requires you to wear.
- ✗ **You can't claim** a deduction for the cost of buying or cleaning plain clothing worn at work, even if your employer tells you to wear it, and even if you only wear it for work, eg a business suit.

Other common deductible work-related expenses



- ✓ As long as the expense relates to your employment, **you can claim** a deduction for the cost of seminars and conferences, technical or professional publications, union and professional association fees.



This is a general summary only. For more information, go to ato.gov.au/occupations

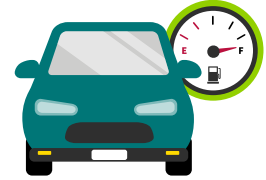


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Car expenses

What's under the bonnet?



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*.

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



What's under the bonnet?

If you use your own car for work purposes (this may be a car you own, lease or hire under a hire-purchase agreement), you can claim a deduction using either the cents per kilometre method or logbook method.

You can claim a deduction for car expenses if you use your car to:

- perform your work duties
- attend work-related conferences or meetings away from your normal workplace
- travel directly between two separate places of employment if neither of the places is your home
- travel from your normal workplace to an alternative workplace and back to your normal workplace
- travel from your home to an alternative workplace and then to your normal workplace.

Remember

✘ **You generally can't claim** the cost of trips between home and work under any of the methods, even if you live a long way from your usual workplace or work outside normal business hours.

In limited circumstances, you can claim the cost of trips between home and work, where:

- your home was a base of employment (that is, you were required to start your work at home and travel to a workplace to continue your work for the same employer)
- you had shifting places of employment (that is, you regularly worked at more than one site each day before returning home)
- you carry bulky tools or equipment for work and all of the following apply:
 - the tools or equipment are essential to perform your employment duties and you don't carry them merely as a matter of choice
 - the tools or equipment are bulky – meaning that because of their size and weight they are awkward to transport and can only be transported conveniently by the use of a motor vehicle
 - there is no secure storage for such items at the workplace.

If your travel is partly private, you can only claim the work-related part.

✘ **You can't claim** a deduction for a car expense that has been reimbursed. You can only use one of the methods to calculate your deduction for car expenses.

If you claim car expenses for more than one car, you can choose to use a different method to calculate your expenses for each car.

✘ If you claim a work-related car expense using the cents per kilometre or logbook method, **you can't claim** any further deductions in the same tax return for the same car.

If you use someone else's car for work-related purposes, you can only claim a deduction for actual expenses, such as fuel, in the work-related travel expense section of your tax return. Cars owned or leased by someone else may include a spouse, family member or employer.

However, if you can show there is a family or private arrangement that made you the owner or lessee (even if you are not the registered owner) you can calculate your car expenses using either the logbook or cents per kilometre method.

If you have access to the car under a salary sacrifice arrangement or a novated lease, it is usually your employer who is leasing the vehicle from the financing company and making it available for your use. As you do not own or lease the car yourself, you cannot claim any deductions for using the car, but can claim additional expenses, like parking and tolls associated with your work use of the car.

A vehicle is not considered a car if it is a motorcycle or a vehicle that:

- has a carrying capacity of one tonne or more, such as a ute, truck or van
- can transport nine passengers or more, such as a people mover.

For these vehicles, you can claim the actual expenses related to your work travel. This includes costs such as fuel, oil, insurance and loan interest along with the decline in value of the vehicle. You must keep receipts for all your expenses and records to show your work-related use of the vehicle.

The easiest way to show your work-related use of the vehicle is to keep a logbook or documents that provide similar details to a logbook.



You can calculate your car expenses in two ways

Cents per kilometre method

You can claim a maximum of 5,000 work-related kilometres per car using this method.

You can claim 72 cents per kilometre for the 2020–21 financial year.

The cents per kilometre rate incorporates decline in value, registration and insurance as well as maintenance, repairs and fuel costs. You can't add these expenses on top of the rate when calculating your deduction.

You need to be able to show how you worked out your work-related kilometres (for example, by producing diary records of work-related trips or using the ATO app to track your work trips).

You will also need to have evidence that you own the car.

Logbook method

The logbook method allows you to claim the work-related portion of your actual car expenses.

Expenses you can claim include running costs such as fuel, oil and servicing, registration, insurance and the decline in value.

✘ **You can't claim** capital costs, such as the purchase price of your car, the principal of a loan (i.e. any money borrowed) to buy it and any improvement costs (for example, adding paint protection and tinted windows).

To work out your work-related percentage, you need a valid logbook and the odometer readings for the start and end of the logbook

period. Your logbook period needs to show a continuous, representative 12-week period.

- ✔ **You can claim** fuel and oil costs, based on either your:
 - actual receipts
 - an estimate of the expenses based on odometer records that show readings from the start and the end of the period you used the car during the year.

You need written evidence for all other car expenses, including evidence that you own the car and odometer readings at the start and end of the period you used the car during the year.



Keeping a valid logbook

Your logbook must cover at a minimum 12 continuous weeks. If you started using your car for work-related purposes less than 12 weeks before the end of the year, you can extend the 12-week period into the next financial year.

Your 12-week logbook record is valid for five years. However, if your circumstances change (for example, if you change jobs or move to a new house) and the logbook is no longer representative, you will need to complete a new 12-week logbook.

You can keep an electronic logbook by using the myDeductions tool in the ATO app or keep a paper logbook. Below is an example of the details you need to keep.

If you are using the logbook method for two or more cars, keep a logbook for each car and make sure they cover the same period. Below is an example of the details you need to keep.

Example: Logbook

Car details	Make: Holden	Model: Barina	Engine capacity: 2.4L	Registration number: ABC 123	
Odometer reading for the start of the logbook period:	10,200kms				
Odometer reading for the end of the logbook period:	10,280kms				
Start date	Odometer reading at start of journey	End date	Odometer reading at end of journey	Reason for the journey	Total km travelled
27 Aug 2020	10,200km	27 Aug 2020	10,210km	Private – take kids to school	10km
27 Aug 2020	10,210km	27 Aug 2020	10,230km	Private – travel to work	20km
27 Aug 2020	10,230km	27 Aug 2020	10,245km	Business – travel to offsite client meeting	15km
27 Aug 2020	10,245km	27 Aug 2020	10,260km	Business – return to office	15km
27 Aug 2020	10,260km	27 Aug 2020	10,280km	Private – travel from office to home	20km

Calculate your work-related car use

(Complete this section after 12 continuous weeks of logbook use)

Logbook period (dd/mm/yy to dd/mm/yy)

- a. Calculate the total number of kilometres travelled during the logbook period
- b. Calculate the number of kilometres you travelled for allowable work-related trips during the logbook period
- c. Calculate the work-related use by dividing the amount at **b** by the amount at **a**. Multiply this figure by 100.

This is your work-related use percentage.

Once you've calculated your work-related use percentage, multiply it by your car expenses to figure out your claim.

You can use the myDeductions tool in the ATO app to record work-related car trips as well as any car expenses. You can share your myDeductions records directly with your agent at tax time.

This is a general summary only

For more information, go to ato.gov.au/car or speak to a registered tax professional.



Gifts and donations

It pays to learn what you can claim at tax time



When can I claim?

- ✔ **You can claim** a deduction for a donation you make to an organisation if the donation meets four conditions:
 - you make it to a deductible gift recipient (DGR)
 - it must truly be a donation. A donation is a voluntary transfer of money or property where you receive no material benefit or advantage
 - it must be money or property, which includes financial assets such as shares
 - you have a record of the donation such as a receipt.

If you receive a material benefit – that is if the donor receives something which has a monetary value from the DGR in return for their donation – it is considered a contribution, and [extra conditions](#) apply.

What records do I need?

You should keep records of all tax-deductible gifts and contributions you make.

When you make a donation, the DGR will usually issue you with a receipt – but they don't have to. If this is the case, in some circumstances, you can still claim a tax deduction by using other records, such as bank statements.

If a DGR issues a receipt for a deductible gift, the receipt must state:

- the name of the fund, authority or institution to which the donation has been made
- the DGR's ABN (if one exists – some DGRs listed by name might not have an ABN)
- that the receipt is for a gift.

If you give through a workplace giving program your income statement or a written record from your employer is sufficient evidence.



Bucket donations

If you made one or more donations of \$2 or more to bucket collections conducted by an approved organisation for natural disaster victims, you can claim a tax deduction of up to \$10 for the total of those contributions without a receipt.

? What is a DGR?

A deductible gift recipient (DGR) is an organisation or fund that can receive tax deductible gifts.

Not all charities are DGRs. For example, in recent times there has been an influx of crowdfunding campaigns. Many of these crowdfunding websites are not run by DGRs so donations to them can't be claimed.

You can check whether your donation was made to an endorsed DGR on the [Australian Business Register](#) website.

? When I can and can't claim a deduction

You may be able to claim gifts or donations as a deduction when:

- the gift or donation is \$2 or more and you have a record of the donation
- you donate property or shares, however [special rules](#) apply
- there are special circumstances under the [Heritage](#) and [Cultural gift](#) programs where donations can also be deductible
- you receive a token item for your donation. Token items are things of no purpose that are used to promote a DGR, such as lapel pins, wristbands and stickers.

✘ **You can't claim** gifts or donations as a deduction when they provide you with a personal benefit, such as:

- the purchase of raffle or art union tickets such as an RSL Art Union Prize home
- the purchase of fundraising items that have an advertised price and can be

used, such as chocolates, mugs, keyrings, caps or toys

- club membership
- the cost of attending fundraising dinners, even if the cost exceeds the value of the dinner
- payments to school building funds made in return for a benefit or advantage, for example, as an alternative to an increase in school fees or as a placement on a waiting list
- gifts to families and friends regardless of the reason
- donations made under a salary sacrifice arrangement
- donations made under a will.

✘ **You can't claim** a tax deduction for donations made to social media, crowdfunding platforms or memberships (such as sporting club memberships) unless they are a registered DGR.

Gifts and donations to political parties and independent candidates and members

In some circumstances, your gifts and donations to registered political parties and independent candidates may be claimed as a deduction.

Your gift or donation must be \$2 or more and be money or property that you purchased during the 12 months before making the donation. This includes if you pay a membership subscription to a registered political party. You must also make the gift or donation as an individual, not in the course of carrying on a business, and it can't be a testamentary donation.

The most you can claim in an income year is:

- \$1,500 for contributions and gifts to political parties
- \$1,500 for contributions and gifts to independent candidates and members.

To claim a deduction you must keep a written record of your donation.

To find out who is registered, go to: [Claiming political contributions and gifts](#)

This is a general summary only

For more information, go to ato.gov.au/gifts-and-donations or speak to a registered tax professional.

Ready-to-use Tax Time messages

Below are a range of messages you can use (or adapt) for your own communication channels, such as websites, intranets, newsletters and social media platforms.

Article suggestion

Headline: Selling for success at tax time

It may not always be clear for real estate agents what you can and can't claim at tax time, especially when it comes to working from home.

If you work from home, you may be able to claim a deduction for the additional running expenses you incur.

There are three methods to calculate working from home expenses. The method you use will depend on your circumstances (you must meet the recording keeping requirements and criteria to use each method). The methods available are:

- **Shortcut method** – an all-inclusive rate of 80 cents per work hour, available for use between 1 March to 30 June 2020 in the 2019–20 income year and 1 July 2020 to 30 June 2021 in the 2021-21 income year.
- **Fixed rate method** – 52 cents per work hour (instead of recording all your actual expenses for heating, cooling, lighting, cleaning and the depreciation of your furniture). You need to separately work out your phone and internet, computer consumables, stationery and computer depreciation expenses.
- **Actual cost method** – the actual work-related portion of all your running expenses, which you need to calculate on a reasonable basis.

You generally can't claim occupancy expenses, such as rent, rates, mortgage interest and home insurance premiums, unless your home office is considered to be a 'place of business'. This occurs where your home office is both:

- your principal place of work because no other work location is provided by your employer
- exclusively or almost exclusively used for work purposes.

You are not considered to be carrying on a business if your only income is paid to you as a real estate employee.

Employees who work at home can't claim costs:

- for coffee, tea, milk and other general household items your employer may provide you at work
- for the decline in value of items provided by your employer - for example, a laptop or a phone
- your employer pays for or where your employer reimburses you for the expense.

Check out the common expenses real estate agents can claim at ato.gov.au/RE2021pr

Ready-to-use Tax Time messages

Suggested social media posts for Facebook, Twitter and LinkedIn profiles

Using your car for work purposes? The ATO's real estate agent occupation guide can help you understand what you can claim at tax time, visit ato.gov.au/RE2021pr

The ATO is here to support you this tax time. Check out the ATO's tailored occupation guide for real estate agents at ato.gov.au/RE2021pr to make tax time stress free.

Let the ATO do the hard yards for you. Check out their tailored work-related expenses guide for real estate professionals, to understand what you can claim this tax time at ato.gov.au/RE2021pr

The myDeductions tool in the ATO app has a logbook feature that takes the hard work out of calculating your work-related car expenses and maintaining your records. Check out ato.gov.au/myDeductions

Check out ato.gov.au/RE2021pr for more information