

2021

Tax Time Toolkit

Retail



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 retail employees (such as hospitality workers, retail staff and sales professionals) 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:

- [Hospitality worker](#)
- [Retail worker](#)
- [Sales and marketing professional](#)

Common claims:

- [Clothing and laundry](#)
- [Gifts and donations](#)

Ready-to-use messages:

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

If you're a hospitality 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.

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 chef's checked pants and chef's hat, or protective clothing like aprons 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 black pants and a white shirt).
- ✗ **You can't claim** a deduction for hairdressing, cosmetics, hair and skin care products, even if your employer expects you to be well groomed. All grooming products are private expenses.

Car expenses

- ✓ **You can claim** a deduction when you:
 - drive between separate jobs on the same day – eg travelling from your job as a waiter to a second job as a cleaner.
 - drive to and from an alternate workplace for the same employer on the same day – eg travelling from the restaurant you work at to a catering function.

- ✗ **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 public holidays or night shifts.

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 bain-marie needed for a catering function. 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.

Tools and equipment expenses

- ✓ **You can claim** a deduction for the cost of the purchase of tools and equipment you are required to use for work, eg chef knives. You can't claim a deduction relating to any private use of the equipment or if the tools and equipment are supplied by your employer or another person.

If a tool or item of work equipment used for work:

- cost more than \$300 – you claim a deduction for the cost over a number of years (depreciation)
- cost \$300 or less – you can claim an immediate deduction for the whole cost.

- ✓ **You can claim** a deduction for the cost of repairing tools and equipment for work. If the tools or equipment were also used for private purposes, you cannot claim a deduction for that part of the repair cost.

Self-education expenses

- ✓ **You can claim** a deduction for self-education expenses if your course relates directly to your current job, eg barista course if you are working in a coffee shop.
- ✗ **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 you can't claim the cost of study to enable you to move from being a food delivery driver to being a chef.

Other common deductible work-related expenses

- ✓ Other expenses you can claim a deduction for include:

- the work-related portion of phone expenses if you have to make phone calls or send texts for work
- union and professional association fees
- technical or professional publications
- renewing your special employee or gaming licence. You cannot claim a deduction for the cost of getting your initial licence.



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



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If you work in retail 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 to your second job as a waiter
 - drive to and from an alternate workplace for the same employer on the same day – eg driving between separate retail stores 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 late night shopping or weekend shifts.

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.¹

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, 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, black pants and a white shirt or everyday clothing—even if it's sold at the store you work for.

Meal expenses



- ✓ **You can claim** a deduction for the cost of overtime meals on those occasions where:
 - you worked overtime and took an overtime meal break, and
 - your employer paid you an overtime meal allowance under an industrial law, award or agreement.
- ✗ **You can't claim** a deduction for the cost of meals eaten during a normal working day as it is a private expense, even if you receive an allowance to cover the meal expense.

Self-education expenses



- ✓ **You can claim** a deduction for self-education expenses if your course relates directly to your current job, eg a customer service course.
- ✗ **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.

Personal grooming



- ✗ **You can't claim** a deduction for hairdressing, cosmetics, hair and skin care products, even if your employer tells you to use them and you work in a store that sells them – they are personal expenses.

Other common deductions



- ✓ As long as the expense relates to your employment, **you can claim** a deduction for the work-related portion of the cost of:
 - seminars and conferences
 - technical or professional publications
 - union and professional association fees
 - phone and internet usage if your employer needs you to use your personal devices for work.



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If you work in sales and marketing 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 job in sales to a second job as a waiter.
 - drive to and from an alternate workplace for the same employer on the same day – eg driving to a client's office for a meeting.

- ✗ **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 attend a sales event.

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

- you had shifting places of employment (that is, you regularly worked at more than one site each day before returning home)
- 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.

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, eg a business suit.

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 for a sales conference, 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.

Self-education expenses



- ✓ **You can claim** for self-education expenses if your course relates directly to your current job, eg a marketing course.
- ✗ **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 you can't claim the cost of study to enable you to move from working in sales to being a real estate agent.

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).
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.



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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.



Clothing expenses (including footwear)

With a few exceptions, clothing cannot be deducted as a work-related expense.

- ✘ **You can't claim** the cost of buying, hiring, repairing or cleaning conventional clothing you bought to wear for work such as black trousers and a white shirt or suit, even if your employer says this is compulsory or you only wear it when you are at work.
'Conventional clothing' is everyday clothing worn by people regardless of their occupation – for example, business attire worn by office workers or jeans or drill shirts worn by tradespeople.

- ✔ **You can claim** the cost of buying, hiring, repairing or cleaning clothing if it falls within one of these categories:
 - occupation-specific
 - protective
 - compulsory uniforms
 - non-compulsory uniforms (registered with AusIndustry)
- ✘ **You can't claim** the cost of the item if your employer pays for or reimburses you for the expense.

Occupation-specific

- ✔ **You can claim** occupation-specific clothing that distinctively identifies you as a person associated with a particular occupation. For example, a judge's robe or chef's chequered pants. If the clothing may be worn by several professions, it is not considered occupation specific.



Example: occupation-specific clothing

Joe is a chef with two jobs. When working at a restaurant he wears the traditional chef's uniform of chequered pants, white jacket and chef's toque. He also works on a food truck, but just wears jeans and a t-shirt at that job. Joe can claim his traditional chef's uniform, but not his food truck clothing. The chef's clothing is relevant to his profession, but the jeans and t-shirt are conventional clothes.



Example: conventional clothing

Anne is a plumber and wears drill work pants and shirts at work. While Anne looks like a tradesperson, this is not considered to be occupation specific. The fact that an item may be traditionally worn in a profession does not make it occupation specific if it may be worn by several professions (for example carpenters and labourers).

Protective

- ✔ **You can claim** clothing you wear to protect yourself from specific risks of injury or illness at work.
The clothing must have protective features or functions so that it isn't considered conventional clothing. These sorts of items could include:
 - heavy duty occupational wet weather gear
 - protective boots, such as steel-capped boots or rubber boots for concreters
 - boiler suits or aprons that protect ordinary clothing
 - fire resistant clothing
 - clothing with a UPF sun protection rating
 - non-slip nurses' shoes.

There must be a link between your work-related activities, the risk presented by your environment, and the form and function of the clothing to reduce the risk.

- ✘ **You can't claim** a deduction for conventional clothes that don't have features or functions designed for the risks of your work (such as jeans, drill shirts, shorts, trousers, socks or normal everyday enclosed shoes).

Compulsory uniform (by a workplace agreement or policy)

- ✔ **You can claim** a compulsory uniform. To be considered compulsory, you must be explicitly required to wear it by a workplace agreement or policy, which is strictly and consistently enforced. A compulsory uniform must be sufficiently distinctive to your particular organisation so that a casual observer can clearly:
 - identify you as working for a particular employer, or
 - identify the products or services provided by your employer.Conventional clothing is not a compulsory uniform even if your employer requires you to wear it, or you pin a name badge to it.
- ✔ Shoes, socks and stockings are generally not deductible. However, there are limited circumstances where shoes, socks and stockings can be claimed, such as where the employer has guidelines that stipulate specific characteristics of the colour, style and type of those items as a distinctive part of the uniform. This differentiates these items from conventional clothing as they are an integral part of a compulsory uniform.



Example: conventional clothes worn with a uniform

Rick works at a supermarket. Under his employer's uniform policy, he is required to buy and wear a shirt with the supermarket's logo embroidered on it. If he shows up to work not wearing this shirt he is sent home and issued with a warning. The uniform policy also includes a requirement to wear black pants and closed black shoes, but doesn't stipulate any other qualities of those items. Rick can claim a deduction for the cost of the shirts as they are a compulsory uniform, but he cannot claim the cost of the pants or shoes. Even though his employer requires him to wear a specific colour, they are not distinctive enough to make them part of his uniform and are still conventional clothes.

Non-compulsory uniform

- ✘ **You can't claim** expenses incurred for non-compulsory work uniforms unless your employer has registered the design with AusIndustry (check with your employer if you're not sure whether your uniform is registered or not).
Single items of clothing, such as a shirt, cannot be registered for these purposes.



Example:

Lena works in administration for a bus company. The administration staff usually wear a suit in the company colour with the company logo. It's not compulsory for Lena to wear the suit, however her employer encourages staff members to wear it and have registered the suit as a non-compulsory uniform with AusIndustry.

Lena can claim a deduction for the cost of buying the suit because her employer has registered it with AusIndustry on the Register of approved occupational clothing.

Laundry and repairs

- ✔ **You can claim** the cost of cleaning and repairing occupation-specific clothing, protective clothing, compulsory uniforms and non-compulsory uniforms.
- ✘ **You can't claim** if your employer launders your clothing or reimburses you for these expenses.

A reasonable basis for calculating your laundry claim is:

- \$1 per load if the load is just made up of only work-related clothing, or
- 50c per load if other laundry items are included.

Repair and dry-cleaning expenses are based on the actual cost you incurred for those services.

If your laundry claim is \$150 or less (not including dry-cleaning expenses), you don't need receipts, but you need to be able to explain how you calculated your claim. You can do this by using the laundry rates and keeping a record of the number of times you washed your deductible clothing in a week, including if they were washed separately or with other clothing.

Exceptions to the record keeping rules are there to make things simpler – they do not allow you to claim an automatic deduction up to the specified amount where the money has not been spent.

Allowances

If you receive an allowance from your employer for laundry expenses:

- you can only claim a deduction for the amount you actually spent, not simply the amount of your allowance
- the allowance is assessable income, which you must include on your tax return.

This is a general summary only

For more information, go to ato.gov.au/clothingandlaundry 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 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.

📄 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.

? 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

Suggested social media posts for Facebook, Twitter and LinkedIn profiles

Attention retail employees! It pays to understand the deductions you can claim this tax time.

👍 If you work more than one job, **you can claim** the cost of travelling directly between workplaces on the same day.

👎 **You can't claim** the cost of normal trips between home and work, even if you have to work outside of normal business hours (e.g. late-night shopping).

👎 **You can't claim** the cost of buying or cleaning conventional clothing (e.g. black pants or a white shirt), even if you're required to wear it or you only wear it for work. This is the case even if you're required to buy and wear clothing sold at the store where you work.

👎 **You can't claim** a deduction for fashion, hair or cosmetics products, even if you work in a store that sells them.

Still unsure about what you can claim? Visit ATO's retail workers guide at ato.gov.au/retail21

Ensure this tax time has no unwanted surprises for you in store. Check out the ATO's retail work-related expense guide at ato.gov.au/retail21

Ditch the shoebox full of receipts and use the myDeductions tool in the ATO app which makes it easy to keep track of your work-related expenses. For more information check out ato.gov.au/myDeductions

Not sure what deductions you can claim in your tax return? The ATO can help.

Download the ATO's retail work-related expenses guide at ato.gov.au/retail21 to understand what you can and can't claim.

Surviving the end of year sales might have been a challenge. Let the ATO take the stress out of completing your tax return. Check out the Retail industry specific guide at ato.gov.au/retail21 to understand what you can and can't claim.

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: Take the guess work out of claiming work-related expenses this tax time.

There are a lot of misconceptions about what you can and can't claim as a work-related expense. Don't rely on your mate's advice - check the below tips before completing your tax return.

Clothing expenses

With a few exceptions, clothing is a private expense. Common errors include employees incorrectly claiming:

- conventional clothing, such as plain white shirts or black pants.
- the purchase of clothing sold in the store that they work.

👉 **You can't claim** a deduction for these items, even if your employer requires you to wear them and you only wear these items of clothing at work.

👉 **You can claim** a deduction for costs you incur to buy, hire, repair or replace clothing and footwear you wear at work if it's in one of the following categories:

- a compulsory uniform, that your employer strictly and consistently enforces you wear by workplace agreement or policy and distinctly identifies either
 - you as an employee working for a particular employer
 - the products or services your employer provides
- a non-compulsory uniform, that your employer listed on the Register of Approved Occupational Clothing with AusIndustry.

Car expenses

👉 You may be able to claim work-related car expenses if you use your car to drive:

- directly between separate jobs on the same day – e.g. travelling to your second job as a waiter
- to and from an alternate workplace for the same employer on the same day – e.g. driving between separate retail stores for the same employer.

👉 You can't claim the cost of normal trips between home and work, even if you live a long way from your usual workplace or have to work outside normal business hours – e.g. late-night shopping or weekend shifts.

Still unsure about what you can claim? Visit ATO's retail workers guide at ato.gov.au/retail21