



What can you claim if you're a Real Estate Professional

SOURCE: AUSTRALIAN TAXATION OFFICE

With work-related expense claims high on the ATO radar, the Australian Taxation Office is stepping up to help and provide advice for taxpayers who aren't quite sure what they can and cannot claim.

The ATO have already flagged that over-claiming of deductions is a big issue. The ATO wants tax payers to get right what they claim as tax deductions.

We understand tax time can be tricky and taxpayers often ask whether we have advice about what they can and cannot claim based on their job. The good news is that we do. The most popular topics include car, clothing, travel, working from home and self-education expenses.

Getting the right information before you lodge your income tax return is helping

our clients to get their claims right and avoid issues later on.

At C&N Accountants, we want every person to have the information they need to know whether they can make a claim, to get it right, and know what records they need to keep. Understanding what you can and cannot claim will help ensure that your income tax return is processed quickly and any refund is paid as soon as possible. Most people want to lodge their income tax return with the right information and helping people to do that in the first place is the most efficient way to operate.

At C&N Accountants our objective is to educate you; this is just part of the process.

What you can and can't claim

Each occupation has specific circumstances which affect what can and cannot be claimed. Here are some snippets from some ATO occupation guides. Remember, regardless of the occupation you are in, you can only claim the work-related part of expenses, and you must meet the three golden rules:

- You must have spent the money yourself and not been reimbursed;
- The claim must be directly related to earning your income; and
- You need a record to prove it.

Real Estate Professional employees: work-related expenses

Common deductions include the following:

- 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.
- 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.
- 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.
- 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 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).

- 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.
- 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.

However, you usually cannot claim home to work travel, and you cannot claim clothes or shoes that are not uniform or are not designed to provide you with sufficient protection from the risk of injury at your worksite, even if the item is called 'workwear' or 'tradie wear' by the supplier.

Footnote: Please note that the information here is a general overview. Taxation is a complicated matter and you should seek specific advice from a qualified and experienced professional suited to your circumstances.



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