

Work Related Travel Expenses

(Accommodation, food and incidental expenses)

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ato.gov.au QC 31982
TR 2016/13

Your expense is reimbursed by your employer

A reimbursement is when you incur a travel expense for accommodation, food or incidentals in the course of your employment and your employer pays you for the amounts you have spent. These amounts typically don't appear on your payment summary.

No deduction is available for the employee in this situation.

You receive an allowance from your employer

If you are paid a travel allowance, you must include this amount as income on your tax return. You can claim a deduction for the expenses you actually incur, less any private proportion.

Each year the ATO publishes a list of the daily amounts the Commissioner considers reasonable to spend on travel expenses. You are not automatically entitled to claim the full reasonable limit, nor is the reasonable limit necessarily the same as your allowance. If your claim is below these daily amounts you do not have to keep written evidence such as receipts or invoices in the following circumstances:

- Your travel involves an overnight stay.
- Your travel is only within Australia.
- The allowance is intended cover the cost of accommodation, food, drink or incidentals & is not a token amount.
- The allowance covers specific journeys (e.g. you don't receive a fixed amount per year).
- The allowance appears as a separate item on your payment summary.

(You may still need to justify how you determined your claim amount if asked by the ATO)

If your claim exceeds the reasonable daily limits or does not meet all the criteria above, you must keep written evidence such as receipts for the entire amount of your claim.

For all trips of over 6 nights you are required to keep a travel diary detailing the nature, date, time, duration and location of your work related activities.

You do not receive an allowance or reimbursement

You can only claim for accommodation, meals and incidentals involving overnight stays. You must keep written evidence for all claims.

Specific Occupations

Specific rules may apply to long distance truck drivers, Commonwealth or state government employees and parliamentarians. Please discuss your specific case with your accountant.

