

# What can you claim if you're a Lawyer

**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.

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.

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.

### **Lawyer employees: work-related expenses**

Common deductions include the following:

- You can claim the cost of using a car you own when you drive:
  - between separate jobs on the same day – for example, travelling from the Supreme Court to represent a client to your second job as a university lecturer,
  - to and from an alternate workplace for the same employer on the same day – for example, travelling from your office to visit a client in custody or attend court.
- You can claim travel expenses if you're required to travel away from your home overnight in the course of performing your employment duties – for example, travelling interstate to represent a client at the High Court of Australia. Travel expenses can include meals, accommodation, fares and incidental expenses that you incur.
- You can claim the cost of buying, hiring, repairing, replacing or cleaning clothing that is unique and distinctive to your job.
- You can claim self-education and study expenses if they're directly related to your current employment as a lawyer and they:

- maintain or improve the specific skills and knowledge you require,
  - result in or are likely to result in an increase in income from your current employment. For example, training, seminars or conferences you attend to meet your continued professional development (CPD) points.
- You can claim the work-related portion of running expenses for your home office when you work from home, including:
- decline in value of office equipment,
  - electricity for heating, cooling and lighting,
  - other running expenses. You can only claim the additional running costs incurred as a result of working from home. For example, if you work in your lounge room when others are also present, the cost of lighting and heating or cooling that room is not deductible because there is no additional cost for those expenses as a result of you working from home. To work out your home office expenses, you can either use a fixed rate of 52 cents per hour for each hour that you work from home or calculate your actual expenses.
- You can claim the work related portion of other expenses if it relates to your employment, including:
- renewing your annual practising certificates,
  - parking fees and tolls where car expense conditions are met,
  - Supreme Court Library fees,
  - professional indemnity insurance,
  - union and professional association fees,
  - technical or professional publications.

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.**