



**PLUMBING TRADES EMPLOYEES UNION**  
Communications, Electrical and Plumbing Union

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## **PTEU Taxation Advice Sheet**

***This a guide only and we recommend that you speak to a reputable registered tax agent***

Whether you use a tax agent or not, you are telling the Australian Tax Office that everything you say is true and you have the necessary receipts and records to substantiate any of your claims. Personally lodged tax returns should be lodged by 31 October.

The buck stops with you once you have signed the documents that will be lodged to the tax office, they may require receipts going back 5 years.

Registered tax agents can submit returns outside this date.

### **Self Assessment**

**This is best done online [www.etax.com](http://www.etax.com) where you can follow thier step by step procedures online and summit your tax from there**

### **Returns are usually sent within 14 days**

The Australian Tax Office (ATO) relies upon the information in your tax return. They generally do not examine it and accept your calculations and claims. The tax return may be examined at a future time and the ATO may request a desk audit where all claims will have to be justified. Penalties and interest may be applied if the claims cannot be justified. All records justifying claims must be kept for the next five years.

### **Substantiation - Work Related Deductions**

If the total of deductions claimed totals **less than \$300** you should keep a record of how you estimated your claim.

If your total of expenses claimed **exceeds \$300** you should keep all appropriate documentation including receipts, invoices and similar documents.

Union fees are Tax deductible along with Fares and Meal allowances but receipts may be required from the tax office as proof

Living away from home allowance is also a claimable item receipts for accommodation must be keep to ensure that full entitlements meet the Tax office rulings

## **Claiming Work Expenses**

Certain things that you need to pay for at work can be used to reduce the amount of tax you pay (and increase your refund).

You may be able to claim for some of the below, [but make sure that you keep records!](#)

- [Travel Expenses](#) (excluding getting to and from your work except in special situations)
- [Clothing Expenses](#) - if you have a uniform or protective clothing, you may be able to claim for purchasing or cleaning costs
- [Mobile Phone Expenses](#) – if you used your phone for work and was not re-imbursed, you may be able to claim these costs
- Union fees are also Tax deductible 12 months membership is currently \$590.00 per year.

## Work-related computer expenses

You can claim a deduction for the work-related portion of:

- the cost of repairs to your computer
- the interest on money borrowed to finance the cost of the computer, and
- the decline in value of your computer (read [Work-related expenses - decline in value](#)).

## Computer software expenses

Expenditure incurred in acquiring computer software forms part of the cost of the unit of computer software acquired. The general rules for depreciating assets apply to these units of computer software. The decline in value is worked out using the prime cost method and an effective life of two and a half years.

## Other tools and equipment

You can claim an immediate deduction for the full cost of tools and equipment bought on, or after, 1 July 2001 if:

- the cost of a particular item **does not exceed \$300, and**
- you use the item predominantly for the purpose of producing assessable income that is not income from carrying on a business, **and**
- the item is not part of a set that you start to hold in that income year, where the total cost of the set exceeds \$300, **and**
- the total cost of the item and any other identical or substantially identical item that you start to hold in that income year does not exceed \$300.

If you do not meet all of the conditions listed above, you cannot claim an immediate deduction for the full cost of your tools and equipment.

However, you can claim a deduction for the decline in value of the tools and equipment you use for work based on their effective life.

### 1. Is Living away a taxable income or non taxable income?

No it is not taxable income.

If the value of the LAFHA provided to a particular employee exceeds \$2,000, the grossed-up taxable value of the benefit must be recorded on the employee's payment summary. Even

though a the reportable LAFHA amount is included on an employee's payment summary and must be disclosed on the exmpoyee's tax return, it is not included in the employee's assessable income

## **2. Expenses individuals can claim**

Individuals cannot claim any expenses that are private or domestic in nature.

Here is a brief list of the things that the employees may be entitled to claim as a deduction:

### A. Tools and equipment

- (a) Immediate deduction for tools under \$300 used predominantly for the purpose of producing assessable income
- (b) Deduction for decline in value of tools and equipment used for work where the tools are a depreciating asset costing over \$300
- (c) Deduction for the cost of repairing tools and equipment

### B. Work related expenses

- (a) You can claim many expenses that relate to your work.
- (b) To claim an expense, you must have spent the money and not been reimbursed by your employer.
- (c) Work-related clothing, laundry and dry-cleaning expenses
- (d) Work-related travel expenses (\* refer ATO website for eligible travel expenses)
- (e) Work-related car expenses (\* refer ATO website for various calculation methods)
- (f) You generally cannot claim the following expenses associated with your work
  - travel between your home and your workplace
  - expenses for a uniform consisting of conventional clothing like a black skirt and white shirt or blouse
  - self-education expenses where the course you are undertaking does not have sufficient connection to your current employment.