

Tax Deductions for Defence Force Personnel – Checklist

Note: Because the Defence Forces employ such a large number of people over a very wide range of occupations, and with many different skills, the following items will not be relevant for everyone. As a general rule, the expense must be necessary to perform your duties, and hence, earn your income.

- **BRIEFCASE**
- **CALCULATORS and ELECTRONIC ORGANISERS**
- **CLOTHING** – includes uniform components, occupation specific clothing and protective clothing for bush trips. Can also claim repairs to clothing, laundry (up to \$150 without receipts), dry cleaning, and cleaning materials (Brasso, starches, polishes, etc)
- **COMPUTERS and SOFTWARE** – If costing over \$300, claim depreciation at 37.5% per annum. If costing less than \$300, claim 100% in year of purchase. Can also claim computer desk and chair, consumables (e.g. printer cartridges), repairs, electricity, etc. NOTE: Can only claim proportion of business use. Keep a log for one month to determine the percentage of work use.
- **EXTRA REGIMENTAL DUTIES** – Deductible if the ERD forms part of your duties and is not private in nature. Claims include car usage, stationery, computer usage etc.
- **FIELD EQUIPMENT** – Expenses necessarily incurred in relation to bush trips (e.g. bivvy bag, compass, GPS, packs, webbing etc).
- **FITNESS EXPENSES** – Can only claim if you are required to maintain a very high level, well above the general ADF standards, and your duties require you to be physically prepared. This applies to PT instructors, and members of special combat squads. It is arguable that it would also apply to members on call to form part of an operational deployment force.
- **INSURANCE OF TOOLS OR EQUIPMENT** – Applies to use for work related duties.
- **MESS SUBSCRIPTIONS** – You can claim compulsory mess fees only. You can not claim for drinks, entertainment, or functions.
- **PROFESSIONAL ASSOCIATION FEES and SUBSCRIPTIONS**
- **PROFESSIONAL LIBRARY and REFERENCE BOOKS**
- **RIFLES, AMMUNITION, and CLEANING EQUIPMENT** – These are normally supplied by ADF, however, you can claim expenses you incur on additional or more sophisticated equipment etc., for work purposes.
- **SAFETY GLASSES**
- **SELF EDUCATION** – You can claim expenses incurred where there is a direct connection between the course you are undertaking and your duties. You can claim course fees (but not HECS), books, travel, computer use etc.
- **STATIONERY**
- **SUN PROTECTION** – Sunglasses, hat, and sunscreen.
- **TELEPHONE** – home or mobile. You can claim:
 - Work related phone calls
 - A proportion of phone rental, if you can show that you are 'on call', or regularly required to contact work, or whilst you are away from your place of work.
- **TOOLS** – and repairs to tools
- **TRAVEL** – between home and work BUT ONLY when:
 - You carry heavy or bulk equipment to and from (e.g. taking kit home to clean after bush trip)
 - You travel to an alternative work place (e.g. Pallarenda or Strand for PT)
- **TRAVEL BETWEEN WORK PLACES** – For example:
 - To compulsory sport and return to base for competition and training;
 - Between RAAF base and Lavarack;
 - Between Ross Island and Lavarack;
 - For self education purposes;
 - Relating to extra regimental duties.
- **WATCHES** with special functions required for work duties.
For example, compass, altimeter, dive watch, stop watch.
Can also claim repairs. Can not claim for conventional watch.

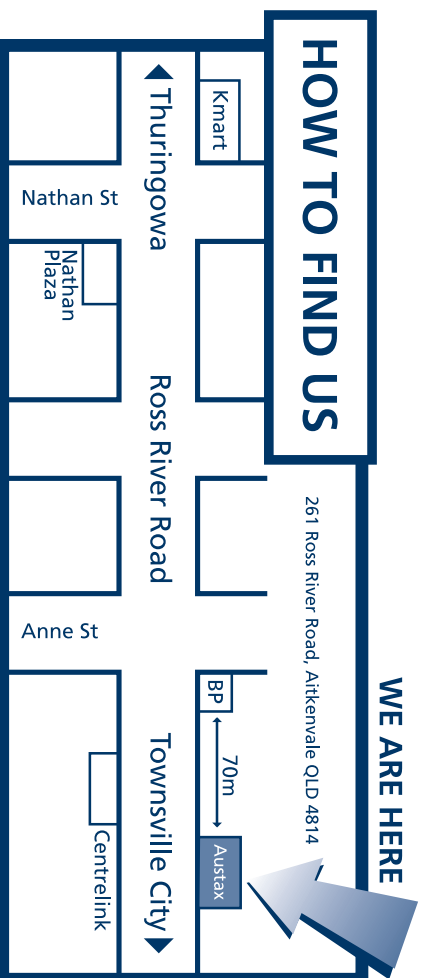
Austax Townsville looks after the tax affairs for a very large number of defence force personnel, both in Townsville and throughout other parts of Australia.

Our consultants are very experienced and do their best to get the best result for you at tax time, whilst staying within the law. We also specialise in rental property tax returns.

We strive to offer a high quality service at an affordable price.

As well as preparing your tax return, Austax Townsville also offers the following services:

- ✓ Year-round advice from a quality, experienced accountant
- ✓ Advice if you are selected for a tax audit
- ✓ Assistance in dealing with Centrelink and other government agencies
- ✓ Advice if you are considering retirement from the ADF



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Tax Deductions for Defence Personnel

Before we look at tax deductions you can claim, I want you to look at least year's group certificate and take note of how much tax you paid.

Chances are, it was a lot. Maybe close to \$10,000, maybe even more.

Most defence force personnel spend significant sums each year on tax deductible items for work.

Some important points to note:

- **ALWAYS KEEP YOUR RECEIPTS.** Without receipts, the tax office will generally not allow your claim.
- **FILE RECEIPTS** as you get them. Keep the file somewhere easily accessible, but where it won't be lost.
- **CHECK** your receipts before you come to see us to get your tax done. This will help ensure no receipts are missing.
- **USE OF YOUR CAR FOR WORK RELATED PURPOSES** can, in some cases, be very significant. For many people, car usage can be their biggest deduction. If claiming less than 5,000 km, you don't have to keep a log book, simply make notes of the work-related use of your car.

Inside this document is a list of the most common deductions for defence force personnel.

The list does not cover everything, but should be a useful guide. As a general rule, if you incur expenditure that is necessary for you to carry out your employment duties, there is a good chance you can claim it. If in doubt, keep the receipt and ask us at tax time.

Please do not hesitate to contact us if you have any questions about either this checklist, or any other tax related matters.

ACCOUNTANTS • TAXATION SPECIALISTS • FINANCIAL ADVISORS