



## FACT SHEET - TRAVEL EXPENSES

In order to claim travel expenses as a tax deduction, you need to ensure that the correct substantiation is maintained. The type and length of the business / work-related travel will affect the documentation you require.

The main issues to consider are:

### Principal Reason – Business vs Private Travel

Travel expenses are deductible when they are incurred for business or work-related purposes.

Type of Travel	Allowable Deductions
Main purpose for business / work	Costs are fully deductible
Incidental business / work purpose	Apportion
Accompanying relatives – non – business / work purpose	Not deductible.

### Allowable Deductions

If the other conditions of claiming a deduction for travel are met, examples of tax deductible travel expenses include:

- Flights
- Accommodation
- Meals
- Transport

Deductions cannot be claimed for the following travel-related expenses in any circumstances:

- Visas
- Passports
- Travel Insurance

### Substantiation Requirements

In order to claim the allowable deductions outlined above, you must keep written evidence (receipts) in certain circumstances. This will depend on the amount of the deduction that is being claimed and whether you receive a travel allowance.

Each year the ATO sets a reasonable travel allowance that covers accommodation, meals and incidentals occurred while traveling for work purposes.

- For **domestic travel where a travel allowance is received** – no written evidence is required for deductions claimed up to the ATO reasonable travel allowance amount (otherwise written evidence is required for all expenses).

- For **domestic travel where no allowance is received** – written evidence is required to claim any deduction.
- For **overseas travel where a travel allowance is received** – no written evidence is required for a deduction claimed up to the ATO reasonable travel allowance amount for meals and incidentals (otherwise written evidence is required for all expenses). Written evidence is required for accommodation expenses as it is not included in the allowance.
- For **overseas travel where no allowance is received** – written evidence is required to claim any deduction.

## Travel Diary Requirements

As well as the substantiation requirements outlined above, when you are away from home for 6 or more consecutive nights (whether domestic or overseas), a travel diary must be maintained in order to claim a deduction for travel expenses. At the very least the diary should include details for each business activity performed including:

- The nature of the activity
- The date, time and duration of the activity
- The location of the activity.

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