

# Employee lawyers: tax deductions ruling

The Australian Taxation Office has prepared information on tax deductions specifically for employee lawyers. The taxation ruling for employee lawyers, TR 95/9, sets out the expenses that are in the opinion of the Commissioner, allowable tax deductions and those expenses that are not allowable deductions. The ruling addresses common expenses incurred by employee lawyers.

The basic rules to consider before your decide to make a claim are:

- You must have spent the money in 1995-96;
- The expenses must not have been reimbursed by your employer;
- You must have incurred the expense in the course of earning your assessable income and must not be private, domestic or capital nature. For example, the cost of normal travel to and from work and buying lunch each day are private;
- You must be able to substantiate, or prove, your claims with written evidence if the total claimed is greater than \$300;
- You need to be able to show how you worked out your claims if the total claimed is \$300 or less - you do not need written advice.

If you receive an allowance, the above conditions are still required to be met for an expense to be an allowable deduction. You cannot automatically claim a deduction just because you received an allowance. If you incur an expense for both work and private purposes you can only claim a deduction for the work related portion of the expense. This guide is a summary of the ruling. The guide should be used with *TaxPack 96* as the guide will assist you to determine which expenses, having satisfied the above requirements, are allowable deductions. Set out below is a table of common work related expenses that you might have and whether or not you can claim these as an allowable deduction.

Expenses	Is it Allowable		
	Yes	No	Maybe
Admission fees		No	
Annual practising certificate	Yes		
Bank fees - FID	Yes		BAD, GDT - See Special Tax Information
Briefcases	Yes		See Ruling
Calculators and electronic organisers	Yes		
Child care		No	
Clothing — normal/conventional		No	
Club membership fees		No	
Computers and software — depreciation	Yes		See Ruling
Conferences, seminars and training courses	Yes		
Depreciation, insurance and repairs to equipment	Yes		
Driver's licence		No	
Fares for work activities	Yes		See Ruling
Fines		No	
Footwear		No	
Home to work travel		No	
Home office expenses			See Ruling
Insurance — income continuance	Yes		
Interest on money borrowed for work activities	Yes		
Meals		No	
Motor vehicle and other transport expenses			See Ruling
Newspapers		No	
Parking fees and tolls for work travel	Yes		
Practising certificate	Yes		
Professional indemnity insurance	Yes		
Professional library depreciation	Yes		See Ruling
Removal and relocation expenses		No	
Self education			See Ruling
Social functions		No	
Stationery	Yes		
Supreme Court Library fees	Yes		
Suspension from practice — defence costs		No	
Technical or professional publications	Yes		
Telecommunications eg pager, mobile phone			See Ruling
Transport expenses			See Ruling
Travel expenses	Yes		
Uniforms	Yes		See Ruling

## REMEMBER:

Include all of your income in your tax return. Examples of the types of income that are required to be disclosed in your tax return are:

- Benefits you received from the Government
- Interest you received from a bank, building society or credit union;
- distributions from trust.
- Income from a second job
- dividends from a public or private companies; and

Attach your group certificates to your tax return.

