

Tax deductions for childcare workers

If you work in childcare, some of the tax deductions you may be able to claim on your personal tax return are:

Meals and Travel

- The cost of buying **meals** when you work overtime, provided you have been paid an allowance by your employer (you can claim up to a maximum of \$26.45 per meal without having to keep any receipts, provided you can show how you have calculated the amount you spent)
- The cost of **meals and incidental expenses** when you are required to stay away from home overnight for work (if you receive an allowance from your employer, you can claim the full amount of that allowance provided it is shown on your PAYG payment summary). If you didn't receive an allowance, you should keep receipts to prove the amount you have spent on all meals and accommodation
- The cost of **parking, tolls, taxis and public transport** if you are required to travel to attend seminars, meetings, training courses and excursions (if you need to stay away overnight you can also claim for the cost of all meals and your accommodation)
- The cost of using your own **car** for work, including travel to pick up supplies, attend meetings, training courses or conferences, to excursions, sporting, art or cultural events as part of your work or between 2 places of work (to claim for car costs it is usually best to keep a diary record of the number of kilometres you travel during the year for work purposes and then we can calculate the amount of your tax deduction at the end of the year)

Work Clothing

- The cost of buying **work clothing** (including shirts, pants, skirts, jackets, jumpers – provided each item has your employer's logo on it)
- The cost of **laundry** or dry cleaning of your work clothing
- The cost of buying any **protective equipment** required, including gloves, masks, gumboots, sun protection items (sunglasses, hats and sunscreen), art smocks and aprons. This is only relevant if the protective items are required to be worn by the school due to potential dangers in your work environment)

Training

- The cost of work-related **short training, in-service or professional development courses**, which are not run by a University or TAFE (you can also claim for the cost of travelling to and from the course and any accommodation and meal expenses if you are required to stay away overnight)



- The cost of **self-education courses** run by a University (not including HECS/HELP fees) or TAFE (for example Diploma of Childcare), provided they relate to your CURRENT work. If you are studying, you can also claim for the cost of books, stationery, equipment and travel required for your course

Work Tools & Equipment

- The cost of buying and repairing **equipment** you use at work, including tools, musical instruments, electronic organisers, laptop computers and mobile phones
- The cost of any **materials or supplies** that you buy for use at work, for example teaching aids, prizes, art and craft supplies, toys, food and toiletries, office stationery, diary, work bag or briefcase

Other Work Expenses

- The cost of annual association membership fees or **union fees**
- The cost of work-related **magazines or journals**
- The cost of work-related **books** and professional library additions
- The cost of organising and attending **excursions and educational trips** (but NOT the cost of attending staff dinners or other social functions)
- The cost of work-related **mobile or home telephone calls** and rental (you should keep a diary record of the number of phone calls you make for work for one month and then we can use that to estimate your usage for the whole year)
- The cost of work-related **internet connection fees** (you can only claim the proportion of your monthly fees that relate to work use, which could include emailing or research relating to your job)
- The cost of the work-related portion of **pay TV rental fees** (you should keep a diary to record how many hours per week you spend watching pay TV for teaching purposes)
- The cost of maintaining a **home office** if you are required to complete work at home (you should keep a diary to record how many hours per week you spend working from your home office)

Additional expenses for Alice Springs Family Day Care workers

- The cost of **electricity and gas** (you can claim a proportion of your power bills based on the floor area of the home that is used for childcare)
- The cost of hiring help to **clean** the area of the home used for childcare (this can also include the cost of any cleaning materials or equipment used)



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- The cost of **insurance premiums** directly related to the childcare activities (including public liability, property and professional indemnity insurance)
- A proportion of the cost of **mortgage interest, rent**, household insurance, rates and repairs based on the floor area of the home used for childcare (but only if a specific part of the home is set aside for the exclusive use of childcare)

General Expenses

There are some tax deductions that all employees can claim on their personal tax returns:

- The amount of any **donations** to registered charities (as long as you haven't received anything in return for your donation, such as raffle tickets or novelty items)
- The cost of **bank fees** charged on any investment accounts
- The cost of **income protection** or sickness and accident insurance premiums (this type of insurance covers you if you hurt yourself (including when you are not at work) or become sick and you are unable to work. It will pay you your normal wage until you are fit to return to work – if you don't have this insurance you should see a financial adviser or ask us and we will refer you to someone who can organise it for you. It is definitely worthwhile)
- Your **tax agent fees** (the amount you pay to your accountant to prepare your tax return each year)
- The cost of **travelling to see your tax agent** (you can claim the cost of travelling to see your accountant to have your tax return prepared. You should keep a record of the number of kilometres you travel and any other incidental costs such as parking, meals, accommodation etc)

We suggest that you keep receipts for all purchases that are work related, even if they are not listed above. That way, when we prepare your tax return, we can decide whether you are allowed to claim a tax deduction for them or not.

If you would like any more information about the deductions listed or if you would like the ClarityNT team to prepare your tax return for you to ensure you maximise your claims this year, contact us at admin@claritynt.com.au.