



Individual Tax Return: What Records You Need to Keep

Contents



How long to keep your income records	2
Income – What records to keep?	2
How long to keep your deduction records.....	3
Work-related car expenses	3
Cents per kilometre.....	3
Logbook.....	3
Work-related travel expenses	4
If you are a FIFO (fly-in fly-out) worker	4
Using Commissioner's reasonable amounts.....	4
Claims exceeding the Commissioner's reasonable amounts.....	4
Work-related clothing, laundry and dry-cleaning expenses	5
Uniform	5
Laundry.....	5
Dry-cleaning	5
Work-related self-education expenses	6
Working from home expenses – home office expenses.....	6
Fixed rate method.....	6
Actual cost method.....	6
Other work-related expenses.....	7
Low-value pool deduction	7
Interest and dividend deductions	8
Gifts or donations.....	8
Cost of managing tax affairs.....	9
Personal superannuation deductions.....	9
Other deductions	9
Deduction Examples.....	10
Car deduction using cents per kilometre	10
Travel expenses less than the reasonable amount (domestic travel <6 nights)	10

If you have any questions, please email us at info@followtruenorth.com.au

Yours faithfully,

True North Accounting & Advisory

Income



How long to keep your income records

- Keep written evidence for **5 years** from lodging your tax return.
- Hold documents for 5 years after it's certain no capital gains tax (CGT) event can occur for a CGT asset acquisition or disposal.

Income – What records to keep?

Salary or Wages	Income statement in myGov or employer-issued payment summary	<i>or</i>	Bank statements, payslips, or other documents to verify income
Allowances	Income statement from myGov or original payment summary from employer	<i>or</i>	Final payslip showing year-end allowance and tax details, plus a copy of your employment contract or award/enterprise agreement
Centrelink or Government payments	Submit documents for all taxable payments received (e.g. Services Australia statements)		
Interest Income	Account and term deposit statements from financial institutions	<i>and</i>	Make sure your bank has your Tax File Number (TFN) on record for each account
Dividend Income	All dividend statements, including reinvested dividends and bonus shares	<i>or</i>	Bank statements and other documents that may assist verify income received
Trust & Partnership Income	A statement or advice from the entity showing details about your share of the distribution	<i>and</i>	Documents (receipts, etc.) to prove all other expenses claimed by partners
Rental Income	Title deed, rental agreements, bank statements, agent statements, loan documents, quantity surveyor's report	<i>and</i>	Worksheets and documents (receipts, etc.) to prove all other expenses claimed
Business Income	A business schedule breakdown of income/expenses detailing amount/nature of items and documentary evidence to support amount of deductions		
Other Income Items	Please contact us for advice on substantiation requirements for other items of income not included above		

Deductions



How long to keep your deduction records

- Keep written evidence for **5 years** from lodging your tax return.
- Retain records for 5 years after your final depreciation claim on depreciating assets.
- Hold documents for 5 years after it's certain no capital gains tax (CGT) event can occur for a CGT asset acquisition or disposal.

Work-related car expenses

If claiming for transporting bulky tools or equipment:

- List all items carried, along with their weight and size. If items are in a bag, provide the bag's dimensions and weight.
- Include details of workplace storage for tools/equipment: location, dimensions, and whether it locks.
- Provide evidence that travel was work-related, such as your job description, employment contract, or relevant award/enterprise agreement.

Cents per kilometre – see example on page 10

Copies of car registration papers and records of expenses paid to demonstrate vehicle ownership

A record detailing the calculation of business kilometres per vehicle for each income year, including:

- The purpose of travel undertaken
- The frequency of work-related travel
- The number of kilometres travelled for work-related purposes, accompanied by a calculation worksheet

Logbook

- Itemised claim calculation details and amounts
- Purchase/lease documents and car registration for each claimed year
- Depreciation calculation
- Logbook and odometer records showing:
 - Logbook dates and odometer readings at start/end
 - Total and journey-specific kilometres (combine same-day consecutive journeys)
 - Start/end odometer readings, business kilometres, and journey purpose
 - Business-use percentage for the logbook period
 - Odometer readings at each financial year's start/end
- Original receipts for all claimed expenses (using logbook method)

Work-related travel expenses

- An employment contract, job description, or duty statement indicating that travel was required as part of your professional responsibilities.
- Comprehensive details regarding any travel allowances or reimbursements received, including:
 - The name of the applicable workplace agreement or enterprise bargaining agreement under which the allowance is paid.
 - The methodology used to calculate the allowances or reimbursements.
 - A breakdown of the specific expenses these amounts are intended to cover.
- A copy of your final payslip for the relevant income year, as provided by your employer.
- A clear explanation outlining how the travel activities were directly related to your employment duties.
- Information concerning any individuals who accompanied you during work-related travel, their relationship to you, and the method used to determine the proportion of expenses claimed.
- Copies of receipts or relevant documentation substantiating the amounts claimed.
- Documentation or rationale explaining the basis for calculating the portion of each expense attributable to your work.
- Evidence or supporting explanation detailing how any parking expenses were directly connected to travel undertaken in the performance of your employment duties.

If you are a FIFO (fly-in fly-out) worker, please provide:

- Employment contract or job description showing your work required travel
- Details of allowances/reimbursements received, including:
 - Name of workplace or agreement
 - Allowance calculation method
 - Covered expenses
- Jump/transit point location
- Explanation of how each expense & travel was work-related
- Method for calculating claim proportion
- Receipts for all meals, accommodation, flights, and incidentals claimed

Using Commissioner's reasonable amounts – see example on page 10

- Show evidence of travel expenses claimed, such as:
 - Hotel confirmations
 - Credit card or bank statements for accommodation/meals
 - Menus and meal costs
 - Other supporting documents
- State number of nights away, locations, and how you calculated claim amounts.
- For overseas travel, include receipts for all accommodation and a travel diary if away for 6+ consecutive nights.

Claims exceeding the Commissioner's reasonable amounts

- Provide a travel diary for trips of 6 nights or more, detailing daily work and personal activities.
- Include information about any private travel (e.g., holidays) and explain how you calculated your claim.
- Attach receipts for all claimed meals, accommodation, flights, and incidentals.

Work-related clothing, laundry and dry-cleaning expenses

Uniform

The following categories of clothing may be applicable:

- **Non-compulsory uniform:** This refers to attire not required by your employer but registered on the register of approved occupational clothing. Please consult your employer to confirm registration status.
- **Compulsory uniform:** This can consist of a complete set or a single item of clothing that clearly identifies you as an employee of your organisation.
- **Occupation-specific clothing:** Garments that clearly identify a particular profession (e.g., the distinctive chequered trousers worn by chefs), which are not intended for general, everyday use.
- **Protective clothing and footwear:** Items designed to safeguard against illness, injury, or damage to personal clothing due to the nature of your work or environment. Examples include fire-resistant clothing, sun protection apparel, safety vests, non-slip nurse's shoes, steel-capped boots, gloves, overalls, aprons, and heavy-duty shirts and trousers (excluding jeans). For these items, please provide a description of the protective clothing and equipment you were required to wear, as well as copies of receipts.

Required documentation includes:

- A copy of your employer's uniform policy; or, if unavailable,
- A detailed description of the uniform you were required to wear, along with evidence demonstrating that wearing the clothing was compulsory at work.
- Copies of all relevant receipts.

Laundry

The following supporting documents are required for laundry claims:

- A description of the work-related clothing being laundered
- Details outlining the method used to calculate the claim
- Receipts are needed if the laundry claim is over \$150.

For laundry expenses not exceeding \$150, the claim can be calculated at:

- \$1 per load for washing only work clothes
- 50 cents per load for washing other clothes together with work clothes.

Laundry claims must relate to uniforms, occupation-specific clothing, or protective clothing.

Dry-cleaning

You need to provide these supporting documents for your dry-cleaning:

- a description of the work-related clothing worn
- copies of receipts.

Work-related self-education expenses

You may work and study simultaneously and be eligible if any of the following conditions apply:

- You are upgrading qualifications for your current role.
- You are improving specific skills or knowledge used in your employment.
- You are employed as a trainee and completing a course that is part of your traineeship.
- At the time you were working and studying, your course led (or was likely to lead) to an increase in income from your current job.

Deductions for work-related self-education expenses cannot be claimed for courses that:

- Only generally relate to your current profession or employment.
- Are aimed solely at obtaining new employment.

Required documentation includes:

- A list detailing each expense and the amount claimed.
- Full details of the course undertaken.
- The institution where the course was completed.
- The date you commenced the course.
- Indication of whether you were a full-time or part-time student.
- A copy of the course outline.
- Description and amount of each claimed expense.
- An explanation of how the course directly relates to your employment at the time of study.
- Your employment contract, including a job description or duty statement.
- Copies of original receipts or supporting documents, such as a Commonwealth Assistance Notice (CAN), for every expense included in your claim.

Working from home expenses – home office expenses

Note: Please discuss with us your substantiation requirements regarding “occupancy costs” for home office expenses and CGT consequences as a result.

Fixed rate method

- Explanation of work performed from home
- Record of actual hours worked from home during the income year, such as a timesheet, roster, diary, or similar documentation
- Details regarding claim calculation
- Copies of purchase receipts for depreciating assets used while working from home
- Depreciation schedule for these assets, or calculation details including the effective life and method used (prime cost or diminishing value) for each asset, along with a copy of your diary covering a representative four-week period, or other evidence indicating frequency of working at home.

Actual cost method

- Provide an explanation of the work conducted from home.
- Include the depreciation schedule or details on how the claim was calculated, specifying the effective life and method used (either prime cost or diminishing value) for each asset.
- Supply receipts for each depreciating asset purchased.

- Keep a copy of your diary covering a representative 4-week period or other documentation demonstrating the frequency of working from home.
- If claiming electricity, heating, cooling, and lighting:
 - Submit evidence of the total annual utility costs, such as copies of utility bills.
 - State the cost per unit of power, as shown on the utility bill.
 - Indicate the average units consumed per hour based on the power consumption per kilowatt hour for relevant appliances, equipment, or lights.
 - Document the total annual hours each item was used for work-related purposes, according to your diary.
- Provide receipts for any additional expenses claimed.

If you maintained a dedicated home office and claimed cleaning expenses, please provide the following documentation:

- A floor plan of your residence clearly indicating the location and area of the home office, including both the total floor area and the specific office space.
- Copies of all relevant receipts.

Other work-related expenses

- Explanation of work-related use and calculation method for your claim
- Supporting documents: invoices, payslips, or bank statements showing amounts paid
- Receipts or documents proving the expenses incurred
- If partly private, details on how you determined the work portion
- Depreciation schedule or calculation details, with effective life and method (prime cost or diminishing value) for each item

Low-value pool deduction

The following items are not eligible for inclusion in a low-value pool:

- Assets for which deductions have previously been claimed using the prime cost method.
- Assets costing \$300 or less that qualify for an immediate deduction.
- Assets for which amounts are deducted under the simplified depreciation rules applicable to small business entities.
- Horticultural plants.
- Portable electronic devices (such as mobile phones, personal digital assistants, or laptop computers), computer software, protective clothing, briefcases, or tools of trade primarily used in your employment, if these were provided, paid for, or reimbursed by your employer and the benefit was exempt from fringe benefits tax.

For employment purposes, please provide the following:

- An explanation detailing how the assets within your pool are utilised to generate income.
- Supporting evidence demonstrating usage of the assets for employment duties (e.g., job description, employment contract).

For each year under audit, please submit the following documentation:

- A comprehensive list of low-cost or low-value assets included in your low-value pool deduction claim.
- Calculations and worksheets supporting your claim.
- Documentation evidencing the purchase price of the assets.

Interest and dividend deductions

Please provide a comprehensive list of all interest expenses claimed, including:

- The amount of each expense
 - The date each expense was incurred
 - The payee of each expense
 - The date any associated loans were obtained
 - The total amount of funds borrowed
 - Details regarding the investments purchased with the borrowed funds:
 - The nature of these investments, specifying whether they are public or private (e.g., shares in XY Pty Ltd, a private company)
 - The income generated from these investments during the relevant income year
 - Supporting documentation for all claimed expenses, such as copies of bank statements or loan agreements
 - Calculations detailing how you determined the amount claimed if loan funds were used to acquire multiple assets (for example, both your family home and shares)
 - If you accessed additional funds by drawing down on a loan or line of credit, please specify the purpose of each drawdown

In cases where no income was received during the income year, or the income is less than the interest expense claimed, please also provide:

- An explanation for the absence of income or reduced income
 - Whether you expect to receive a return on the investment in the future; if so, include the anticipated timeline and expected amounts
 - Details of any income received in previous years, including the timing and amounts received

Gifts or donations

Submit receipts or documents supporting your gifts and donations claim, showing:

- Recipient names and their ABN
- Date of each gift or donation
- Type and amount of each gift or donation.

Cost of managing tax affairs

Please provide copies of invoices or statements that detail the expenses associated with managing your tax affairs. The documentation should include:

- the amount of each expense,
- the date of the transaction,
- the recipient of the payment,
- a description of the services rendered and the parties to whom the services were provided.

Personal superannuation deductions

- Provide a copy of the letter from your super fund acknowledging receipt of your notice of intent to claim a deduction for personal super contributions.

Other deductions

- Provide copies of receipts or any other documents you have to support this claim including a description of the expense, the amount claimed and how the expense was incurred in the course of earning your assessable income.
- Please contact us for advice on substantiation requirements for other deductions not included above

Deduction Examples

Car deduction using cents per kilometre

Once per week, Johan makes a 27-kilometre round trip in his own car from his head office in the city to meet with clients. In addition, once per month he makes a 106-kilometre round trip to visit clients at another location.

When Johan consults his diary at the end of the income year, he works out he was at work for 47 weeks, but he missed one weekly meeting with clients as he was sick. He also determines that, although he was on leave for 5 weeks during the income year, he still made 12×106 -kilometre round trips to visit clients.

He works out his work-related kilometres as:

Number of weekly trips \times distance of weekly trip = total weekly trip kilometres

$46 \times 27 \text{ km} = 1,242 \text{ km}$

Number of monthly trips \times distance of monthly trip = total monthly trip kilometres

$12 \times 106 \text{ km} = 1,272 \text{ km}$

Total weekly trip kilometres + total monthly trip kilometres = total trip kilometres

$1,242 + 1,272 \text{ km} = 2,514 \text{ km}$

Johan works out his deduction by applying the cents per kilometre rate to his total kilometres

Travel expenses less than the reasonable amount (domestic travel <6 nights)

Svetlana is an accountant earning \$145,000 a year. As part of her duties, she is required to travel to and work in Sale for 4 days and 3 nights each month. Svetlana's employer pays for her accommodation directly and gives her a meal and incidental allowance of \$120 per day for the 4 days of travel. This allowance is shown on her payment summary. Svetlana's usual pattern is to eat 3 times a day, spending \$20 on breakfast, \$25 on lunch and \$40 on dinner (that is, a total of \$85 per day).

Because Svetlana has spent less than the reasonable amount on meals and incidentals, she can claim a deduction for the \$85 per day that she spends on meals and she is not required to substantiate the expenditure (for example, get and keep all of the receipts for the meals). Svetlana cannot claim anything for accommodation because her employer paid for it

If Svetlana's meal and incidental allowance was not shown on her payment summary and she fully spent the allowance, she can choose to leave it out of her tax return and not claim any deductions for the meals and incidentals that she purchases while travelling and working in Sale.

For more information, visit [Documents to support and verify your claims](#)

Disclaimer: do not rely solely on the information contained in this document, please speak with us