



## **DID YOU KNOW...**

*Tax Deductions  
Home to Work Travel*



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# TAX DEDUCTIONS

## *Can you claim a tax deduction for home to work travel?*

As a general rule, travel from your home to your workplace is not allowed as a deduction because it constitutes a “private expense”. There are however specific situations where this rule may not apply, and there can be circumstances where you may be entitled to claim some of the travel expenses between your home and your regular workplace, or even your alternative workplace.

But it is a minefield that needs to be treaded carefully so as to not end up in hot water with the taxman.

### **WHAT CONSTITUTES A DEDUCTIBLE ‘TRAVEL EXPENSE’?**

Individuals are typically able to claim a tax deduction for work-related travel expenses. You can generally claim the cost of travelling:

- directly between two separate workplaces – for example, when you have a second job (providing one of the places isn’t your home)
- from your normal workplace to an alternative workplace (for example, a client’s premises) while still on duty, and back to your normal workplace or directly home
- if your home was a base of employment – you were required to start your work at home and travelled to a workplace to continue your work for the same employer
- if you had shifting places of employment – you regularly work at more than one site each day before returning home
- from your home to an alternative workplace for work purposes, and then to your normal workplace or directly home. This does not apply where the alternative workplace has become a regular workplace

if you need to carry bulky tools or equipment that you used for work and can’t leave it at your workplace – like an extension ladder if you’re a tradesperson or a cello if you’re a musician.

### **WHAT YOU CAN’T CLAIM**

You can’t claim the cost of driving your car between work and home just because:

- you do minor work-related tasks – for example, picking up the mail on the way to work or home
- you have to drive between your home and your workplace more than once a day
- you are on call – for example, you are on stand-by duty and your employer contacts you at home to come into work
- there is no public transport near where you work
- you work outside normal business hours – for example, shift work or overtime
- your home was a place where you ran your own business and you travelled directly to a place of work where you worked for somebody else
- you do some work at home.

### **WHEN CAN YOU COUNT YOUR HOME AS A WORKPLACE?**

You cannot count your home as a workplace unless you carry out “itinerant work”; that is, work that requires you to travel from place to place. If you do itinerant work or have shifting places of work, you can claim the cost of driving between workplaces and your home. The following factors may indicate that you do itinerant work:

- travel is a fundamental part of your work, as the very nature of your work, not just because it is convenient to you or your employer



- you have a “network” of workplaces you travel to, throughout the day
- you continually travel from one work site to another
- your home is your base of operations – you start work at home and cannot complete it until you attend at your work site
- you are often uncertain of the location of your work site
- your employer provides an allowance in recognition of your need to travel continually between different work sites and you use this allowance to pay for your travel.

#### EXAMPLE 1: TRAVEL BETWEEN JOBS

Sam is a clerk at a large departmental store. She drives her car from her normal workplace to her second job as a waiter. After finishing work as a waiter, she goes directly home.

Yes, Sam can claim the car expenses from her normal workplace to her second job. However, she can't claim the cost of travelling home from her second job.

#### EXAMPLE 2: TRAVEL TO AN ALTERNATIVE WORKPLACE

Jana, a dental assistant in the city, is required to attend meetings at her employer's other clinic in the suburbs. She drives her car to the suburban clinic. As the meetings finish late, she drives straight home.

Yes, Jana can claim the cost of each journey.

#### EXAMPLE 3: WORK FROM HOME

Benjamin's employer has an office in the city but is happy for him to work from home three days a week. On these days, Benjamin sometimes has to drive into the office for a meeting before returning home to work.

No, Benjamin cannot claim the expense incurred in driving between his home and work as it is a private expense.

Above are only straightforward examples though. There will be cases where, while the nature of the office or employment is not inherently itinerant, claiming a deduction is less clear. Also remember that there are special rules for claiming expenses incurred while travelling overnight on business.

## FOR MORE INFORMATION CONTACT



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