



## Truck Drivers Getting the Most out of your Tax Return

This blog is intended to help truck drivers keep the records they need during the year to maximise their tax refund.

Obviously keeping receipts for everything is the way to go but paper receipts do present problems with fading and storage. This can be avoided by using the ATO app and taking a photo of each receipt. The ATO app can be downloaded from Google Play or Apple App Store. Think about keeping the following receipts:

Log books, diaries, pens and other stationery

Specialist licences such as dangerous goods

Courses ie CPR

Union Fees

Out of pockets your employer does not reimburse you for such as parking and tolls

Tools, truck wash etc if you have maintenance responsibilities

Hi vis clothes, logoed uniforms, gloves, Steel caps and PPE

Accommodation costs if you are required to sleep away from home and your employer does not provide accommodation.

Shower fees and laundromats – If it is not possible to get a receipt make a diary entry

The following expenses will require additional record keeping:

### **Mobile Phone:**

Each year you need to keep a one month diary to work out the ratio of work related calls to private calls. Of course there is no need to do this if your employer provides you with a phone or reimburses your phone bill. But if you are incurring this cost then the easiest way to keep a diary would be to do a screen shot of one months worth of calls, print them up and write W or P beside

each call. Add them up and you will have the ratio you need. Make sure you also have all your phone bills for the year.

### **Motor Vehicle:**

A truck driver maybe able to claim the cost of driving their private vehicle from home to the depot if they need to carry bulky equipment and there is no where safe (personal locker) at work where the bulky equipment can be left when they go home. The equipment needs to weigh more than 20kg or be so awkward in nature it needs a car to transport it. Here is a list of items you could count towards the 20kgs providing of course that you need them to do your job.

Tools	Hi Vis Protective Clothing	PPE and Boots
Fridge	Log books, Manuals etc	Phone

Ideally pack this stuff up into bags, weigh them and take a photo.

The easiest way to claim a motor vehicle is the kilometre method. That will allow you to claim 78 cents a kilometre (2023 year) but is limited to 5,000kms per car. If you own two cars and rotate their use you could claim up to 10,000kms. All you need to do to make the claim is keep a diary for one month, each year, showing your regular pattern of use.

If you do a lot of kilometres or have a relatively new expensive car you may be entitled to a better tax deduction using the log book method. Every 5 years you will need to keep a log book for at least 3 months. Ideally make an entry for every journey, explain why and where, enter the opening and closing speedo reading on each trip and put the number of kilometres travelled either in the private or business column. You will also be required to take the speedo reading at 30<sup>th</sup> June each and every year.

Keep receipts for all the motor vehicle expenses i.e. repairs, registration, insurance, tyres and the original purchase price. If it is under finance you can claim the interest paid each year. With fuel you can keep all your fuel receipts or do a fuel test each year. A fuel test means taking the speedo reading when you fill up the vehicle then next time you fill up take the speedo reading again and keep the fuel receipt. Then calculate the number of kilometres you travelled on that tank, divide the fuel receipt by that amount to work out how many cents the fuel cost you per kilometre.

### **Overtime Meal Allowance:**

You are only entitled to this claim if your employer has paid you an overtime meal allowance under your award and you were in a position to buy a meal that you consumed while working overtime.

Your options are to keep a receipt for the meal you purchased and you can claim that back as a deduction against the allowance regardless of whether the allowance is more or less than the amount you spent. But remember you must receive an allowance, overtime meals are not deductible at all unless you receive an allowance.

If you have not kept a receipt but have received an allowance you can still claim the amount you spent, providing it is under the ATO reasonable amount which was \$33.25 for the 2022-2023 tax year and you have some method of showing that you did spend the money. The ATO will be looking for at least a bank statement transaction so make sure you use a debit or credit card. As you can see you may as well just keep a receipt and then not have to worry about whether the amount you spend is under the ATO reasonable amount.

If this all seems too tiresome and you are unlikely to spend more than the allowance your employer pays you then consider asking your employer to not put the allowance on your PAYG summary. Then neither the expense nor the income needs to go in your tax return. If your employer is concerned refer them to this page <https://www.ato.gov.au/Business/PAYG-withholding/Payments-you-need-to-withhold-from/Payments-to-employees/Allowances-and-reimbursements/Withholding-for-allowances/>

On the other hand if you do want to claim your expenditure on overtime meals and your employer has not included the allowance you receive on your PAYG summary then you will need to find out how much overtime meal allowance you did receive so that can be included as income and then a deduction offset against it for the actual amount you spent.

### **Meal Costs:**

You are only entitled to claim cost of meals if you are required to sleep away from home for work purposes. You can still claim for meals when you are required to sleep away from home even if you do not receive an allowance from your employer but you must have a receipt for every meal you claim. If you have a receipt there is no cap on the amount you spend.

If your employer pays you an allowance to cover your meals when you are required to sleep away from home then you do not necessarily have to have a receipt in order to claim the expense. Nevertheless, you may consider the following more arduous than just keeping a receipt.

To claim meals with out a receipt the amount you claim must be under the reasonable amounts, which for the 2022-2023 tax year was \$26.80 for Breakfast, \$30.60 for Lunch and \$52.75 for Dinner.

An auditor will still ask you to prove you have incurred the expense. So for example it is not enough to have a log book showing you stopped at a particular spot for a meal and be able to show what a typical meal there would have cost you. You are still required to prove you incurred the expense. You may be able to get away with a representative sample of receipts or diary entries but there is no guarantee so best just to use a credit or debit card for all purchases so you can produce bank statements showing a transaction at that location. Though even with this evidence you will not be able to claim for more the reasonable amount listed above so it may well be better to just keep the receipt.

Just like the Overtime Meal Allowance you can ask your employer to not put the meal allowance on your PAYG summary. Then neither the expense nor the income needs to go in your tax return. If your employer is concerned refer them to this page <https://www.ato.gov.au/Business/PAYG-withholding/Payments-you-need-to-withhold-from/Payments-to-employees/Allowances-and-reimbursements/Withholding-for-allowances/>

On the other hand if you do want to claim your expenditure on meals and your employer has not included your allowance on your PAYG summary you will need to find out how much meal allowance you did receive so that can be included as income and then a deduction offset against it for the actual amount you spent.

### **Accommodation:**

Truck drivers are not entitled to the reasonable accommodation allowance concessions other travelling employees qualify for. If you incur any accommodation costs you will need a receipt to claim it. Further, if you receive an accommodation allowance from your employer it has to be included as income.

### **Onus of Proof Rests with the Taxpayer:**

Some ATO auditors can be difficult, looking to be able to report that they have been successful in amending a tax return. Unlike normal justice where you are assumed to be innocent until proven guilty, it is the reverse when it comes to tax law. The burden of proof rests with the taxpayer and this is where the power of the auditor lies. You have to be able to convince them to whatever level of proof they require, that you have incurred the expense in earning your income. It is not enough just to meet the substantiation requirements written in legislation.

It is quite common for the ATO to ask your employer to verify in writing that it was necessary for you to incur the expense in order to earn your income and that you have not been reimbursed. This can put a taxpayer in a difficult position if they have left their employment on bad terms or their supervisor in the relevant year has since left the employer. Accordingly, it is wise to ask your employer for a letter at the time of preparing your tax return. Issues that should be considered for your employer's letter:

- Need to wear high vis or logoed uniform
- Need to provide your own tools
- Whether there is anywhere safe for you to store your tools at the depot instead of taking them home for safe keeping. This refers to a personal locker not just a room that everyone has a key to.
- Not reimbursed for meals
- What the allowances that appear on your PAYG summary are actually for
- Whether you are required to sleep away from home
- Whether you need to use your phone for work purposes
- How many days worked for 10 hours or more

**Update for 2023-2024 Tax Year:**

The Reasonable Over Time Meal Allowance is \$35.65

The Reasonable Meal Allowance when you are required to sleep away from home is  
Breakfast \$28.75, Lunch \$32.80, Dinner \$56.60