

What business travel expenses can I claim?

You can claim on the following:

- airfares,
- train, tram, bus, taxi, or ride-sourcing fares,
- car hire fees and the costs you incur (such as fuel, tolls and car parking) when using a hire car for business purposes,
- accommodation, and
- meals, if you are away overnight.

Overnight travel expenses can only be claimed when you are required to stay away from your permanent home overnight.

Expenses you can't claim are:

- a holiday or visit to family or friends that is combined with the business travel,
- the costs associated with you or your employee taking a family member on the trip,
- souvenirs and gifts,
- sightseeing and entertainment,
- visas, passports or travel insurance,
- travel expenses that arise because you are relocating or living away from home, and
- travel that is undertaken before you started running your business.

If your employees travel for your business, the business must pay for the travel expense to be able to claim it as a deduction. The company can pay for the costs by:

- paying directly from the business account,
- paying a travel allowance to the employee, and
- reimbursing the employee for their expenses.

Important to note that FBT may be applicable if a business pays for/reimburses employees for any private travel expenses. Additionally, there may be implications under Division 7A if a company pays for the director's private portion of their travel expenses.

Sole traders and partners from a partnership must keep a travel diary (or similar) if they travel for six or more consecutive nights. For any business activity, the diary should record the date, the activity, the length and where the activity occurred. While this is a requirement for sole traders and partnerships, it is also highly recommended for companies and trusts.

Records of travel expense, including the following, must be kept for five years for substantiation are:

- tax invoices,
- boarding passes,
- tickets,
- travel diaries, and
- details of how you worked out the private portion of expenses.



How can Brentnalls SA help?

If you would like to discuss this further **please contact Brentnalls SA**. Our objective is to see you and your business thrive now and into the future.

Disclaimer

The information provided in this information sheet does not constitute advice. The information is of a general nature only and does not take into account your individual financial situation. It should not be used, relied upon, or treated as a substitute for specific professional advice. We recommend that you contact Brentnalls SA before making any decision to discuss your particular requirements or circumstances.

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