

## TRAVEL ALLOWANCES

### Ruling by the Australian Taxation Office

1. This Determination sets out the amounts that the Commissioner considers are reasonable (reasonable amounts) for the substantiation exception<sup>[1]</sup> in Subdivision 900-B of the *Income Tax Assessment Act 1997* (ITAA 1997)<sup>[2]</sup> for the 2019-20 income year in relation to claims made by employees for:

- .  
overtime meal expenses - for food and drink when working overtime
- .  
domestic travel expenses - for accommodation, food and drink, and incidentals when travelling away from home overnight for work (particular reasonable amounts are given for employee truck drivers, office holders covered by the Remuneration Tribunal and Federal Members of Parliament), and
- .  
overseas travel expenses - for food and drink, and incidentals when travelling overseas for work.

2. The approach outlined can only be used where you receive an allowance to cover the particular expenses you are claiming - for example, you received an accommodation allowance and are claiming accommodation expenses. This Determination is not relevant to you where you do not receive an allowance to cover your expenses.

3. The reasonable amounts only provide the maximum amount you can claim without being required to substantiate your expenditure (refer to paragraph 33 of TR 2004/6). If you rely on the reasonable amounts and the ATO checks your income tax return, you will still be required to show:

- .  
you spent the money in performing your work duties (for example, in travelling away from home overnight on a work trip)
- .  
how you worked out your claim (for example, you kept a diary)
- .  
you spent the money yourself (for example, using your credit card statement or other banking records) and were not reimbursed (for example, a letter from your employer), and
- .  
you correctly declared your allowance as income in your tax return.

### Reasonable amount for overtime meal expenses

4. **For the 2019-20 income year the reasonable amount for overtime meal expenses is \$31.25.**

### **Example 1**

5. *Samantha works for the local government. She is asked to work overtime one night to complete an urgent task. Samantha works her eight-hour day followed by four hours of overtime. Samantha receives an overtime meal allowance of \$14.98 pursuant to her agreement which is shown on her payment summary. During the overtime Samantha takes a rest break to get a meal and returns to continue her overtime. Samantha spends \$20 on her meal.*

6. *Because Samantha has spent less than the reasonable amount for overtime meal expenses, she can claim a deduction for the \$20 she spends and she is not required to substantiate the expenditure (for example, get and keep the receipt for the meal).*

7. *If Samantha's tax return is checked by the ATO she may be asked to explain her claim for deduction. To do this, Samantha would show that she worked overtime, that she was paid an overtime meal allowance under an industrial instrument, that she correctly declared this allowance as income in her tax return, and that she costed her meal at \$20 based on the cost of the curry and drink she purchased from a nearby Thai restaurant.*

8. *If Samantha had spent more than the reasonable amount and wanted to claim the higher amount that she spent, she would need to get and keep the receipt for the meal.*

9. *If Samantha's overtime meal 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 a deduction for the meal she purchases when working overtime.*

### **Reasonable amounts for domestic travel expenses**

10. The following reasonable amounts do not apply to employee truck drivers.

11. Reasonable amounts are provided for three salary levels. Salary excludes any allowances received. Use Table 1 if your salary is \$124,480 and below. Use Table 2 if your salary is between \$124,481 and \$221,550.

12. Reasonable amounts are given for:

- accommodation at daily rates (for domestic travel only)
- meals (showing breakfast, lunch and dinner), and
- expenses incidental to travel.

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The reasonable amount for accommodation applies only for short stays in commercial establishments like hotels, motels and serviced apartments. If a different type of accommodation is used (for example, a hostel or caravan park), the reasonable amount cannot be used even if you receive an allowance.

The reasonable amount for meals depends on the period and time of travel. That is, the reasonable amounts only apply to meals (that is, breakfast, lunch and dinner) that fall within the time of day from the commencement of your travel to the end of your travel that is covered by the allowance. For example, if you leave at 10.00am on Monday and return home at 3.00pm on Tuesday you can apply the reasonable amounts for lunch and dinner on Monday and breakfast and lunch on Tuesday.

The reasonable amount for incidentals applies in full to each day of travel covered by the allowance, without the need to apportion for any part-day travel on the first and last day.

The reasonable amounts for domestic travel expenses, according to salary levels and destinations, for the 2019-20 income year, are shown in Tables 1 to 5 of this Determination as follows:

**Table 1: Employee's annual salary - \$124,480 and below**

Place	Accomm. (\$)	Food and drink (\$)	Incidentals (\$)	Daily total (\$)
		breakfast 28.15 lunch 31.65 dinner 53.90		
Adelaide	157	as above	20.05	290.75
Brisbane	175	as above	20.05	308.75
Canberra	168	as above	20.05	301.75
Darwin	220	as above	20.05	353.75
Hobart	147	as above	20.05	280.75
Melbourne	173	as above	20.05	306.75
Perth	180	as above	20.05	313.75
Sydney	188	as above	20.05	321.75
High cost country centres	see Table 4	as above	20.05	variable
Tier 2 country centres (see Table 5)	134	breakfast 25.20 lunch 28.75 dinner 49.60	20.05	257.60
Other country centres	114	breakfast 25.20 lunch 28.75 dinner 49.60	20.05	237.60

**Table 2: Employee's annual salary - \$124,481 to \$221,550**

<b>Place</b>	<b>Accomm. (\$)</b>	<b>Food and drink</b>	<b>Incidentals (\$)</b>	<b>Daily total (\$)</b>
		<b>(\$)</b> breakfast 30.60 lunch 43.35 dinner 60.65		
Adelaide	208	as above	28.70	371.30
Brisbane	257	as above	28.70	420.30
Canberra	246	as above	28.70	409.30
Darwin	293	as above	28.70	456.30
Hobart	196	as above	28.70	359.30
Melbourne	228	as above	28.70	391.30
Perth	245	as above	28.70	408.30
Sydney	251	as above	28.70	414.30
High cost country centres	see Table 4	as above	28.70	variable
Tier 2 country centres (see Table 5)	152	breakfast 28.15 lunch 28.75 dinner 56.05	28.70	293.65
Other country centres	134	breakfast 28.15 lunch 28.75 dinner 56.05	28.70	275.65