

Fact Sheet: Claiming Your Work Clothing

Work clothing consists of 3 basic categories; Protective Clothing, Compulsory Uniforms, and Non-Compulsory Uniforms.

Protective Clothing

For clothing to be protective clothing it must meet a specific protective condition. Steel Capped Boots protect the feet, High Visibility Vests provide visual protection, fire resistant jackets help protect the wearer from fire harm, and Kevlar pants protect motorcycle couriers from crash injuries.

Conventional clothing will not meet the standard of protective clothing even when there are very sensible reasons for wearing it (see Arnold's example below).

Compulsory Uniforms

Compulsory uniforms are clothing you are required to wear as part of your employment or engagement as a contractor. This may include some element of protective clothing but could also be conventional streetwear that has been branded by the employer.

In many cases employers require staff and contractors (workers) to wear specific clothing and will require them to meet the cost of that clothing. In these circumstances the cost of the clothing will be tax deductible to the worker provided the following are true:

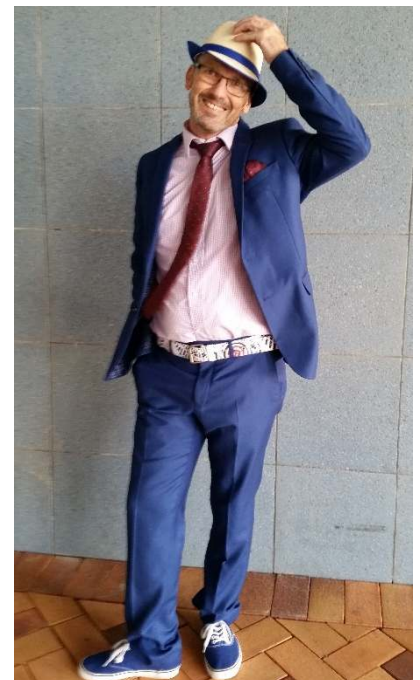
1. The uniform policy is strictly enforced and it is compulsory for staff to wear the uniform; and
2. The clothing identifies workers as being from the employer's organisation.

Non-Compulsory Uniforms

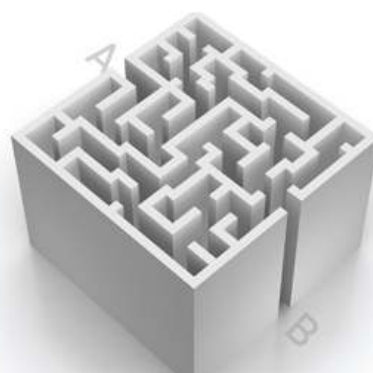
The protective clothing and compulsory uniform rules are reasonable but the rules relating to claiming a tax deduction for your other work clothing can seem unfair.

As an accountant, I must occasionally wear a suit for work and have my old faithful in my wardrobe especially for those occasions. I never wear it outside work.

The rules deny me a claim for the cost of the suit and dry cleaning though, because the suit is not distinctive and does not identify me



The best path
forward
in Business
isn't always clear



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as an employee of Grow Accounting. Similarly, barmen cannot claim the cost of their jeans and black t-shirt because the clothing is suitable to be worn outside work and is ordinary clothing not specific to any single occupation, and there is no direct connection to the income earning activity.

The same general rules will apply to employee's and those in business although most rulings and other guidance relates to employee deductions.

Just because you never wear your work clothing in any other setting does not mean the cost is a tax deduction.

The test relates to the clothing itself and its connection to your income, not how you choose to wear the clothing.

Some Examples to Guide Your Thinking

Sam – The Actor

Sam is an actor and buys clothing to wear on stage for various characters. The clothing is often conventional streetwear including jeans and running shoes.

Sam is entitled to claim a deduction for the cost of the clothing because it is directly related to his assessable income. The clothing makes the character in part and supports his ability to play the various roles.

Sam may have to make an apportionment for the clothing cost if he wears the clothing outside of his job. That apportionment can be made on a reasonable and commonsense basis.



Michelle – The Clothing Salesperson

Michelle works in a fashion clothing store and is required to wear clothing from the store as a condition of her employment. Although she gets a staff discount, the cost of the clothing is high relative to her income.

Michelle cannot claim the cost of her clothing even though her employer requires her to wear the specific labels she sells. This is because the clothing is ordinary clothing and there is no direct relationship between the cost of the clothing and Michelle's employment income.



I think this is particularly harsh on Michelle because her employer requires her to wear the specific clothing labels but the courts have held that the cost is simply a pre-requisite to earning the income and not a cost incurred in gaining the assessable income.

Refer Taxation Ruling 94/22 and FC of T v Edwards 94 ATC 4255.



Arnold – The Personal Trainer

Arnold is a personal trainer to the country’s top body builders. He gets sponsored for some branded clothing but buys expensive running shoes and other “labelled” sportswear. Arnold wants to claim the cost of his expensive running shoes because they protect his body when doing cardio with clients and the other gym clothing is top quality and reinforces his premium brand.

<p><i>Arnold cannot claim the cost of his running shoes as protective clothing because they are conventional running shoes. To be deductible as protective clothing they would need to have specific protective characteristics such as steel caps.</i></p> <p><i>His other clothing is conventional clothing and therefore not sufficiently related to Arnolds income.</i></p>	
<p><i>To be tax deductible, Arnold could have his clothing printed prominently with his business or employers logo therefore identifying him as being from that organisation.</i></p> <p><i>If Arnold was a worker and his employer had a compulsory uniform then the cost to Arnold would be deductible.</i></p>	

Conclusion

The rules are not always simple and sometimes it can be difficult to make the right decision about what is an allowable deduction and what will not be allowed.

Here at Grow, we work with employees, employers, and contractors to provide specific advice to make sure our clients make more money and pay less tax. If you want more information please give our office a call on (07) 5448 9600 or [CLICK HERE](#) to drop me a message.

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The above discussion is intended to provide only general information and you should always seek qualified professional advice before making any decisions about your tax and related matters.