

What Can EP's Claim? – Tax Advice For Exercise Physiologist's

Mobile Exercise Physiologist's encounter specific considerations when filing tax returns, attributed to their travel and consumable use that is unlike most other professions. Whether specialising in physiotherapy, exercise physiology, or occupational therapy, the inherent mobility of their work introduces intricacies into the tax equation.

A typical workday for this profession often involves extensive driving, numerous phone calls, and several hours dedicated to processing client notes and paperwork. This could take place at home or a separate office. Against this backdrop, we will delve into key deductions, with a primary focus on motor vehicle expenses and working from home, followed by a summarization of common, smaller deductions.

It is imperative to note, however, that deductions can only be claimed for personally incurred expenses not reimbursed by the employer. For instance, if your employer reimburses parking fees, you cannot claim a deduction for them.

Motor Vehicle

Given the amount of travel you do for work, if you are driving your own car this will likely be your largest tax deduction.

However, if your vehicle is owned by your employer (perhaps on a novated lease) then you will not be able to claim any tax deductions in your return.

Claiming your expenses in your tax return is made far easier if you keep good records during the year. You should be keeping a clear track of:

- All fuel, registration, maintenance and insurance expenses.
- Copies of the invoice and finance documents of any new vehicle.
- A 12-week logbook.

12-week logbook: The Australian Taxation Office only requires a logbook to be kept for 12 weeks. This logbook can then be relied upon for the next five years, so long as your circumstances don't change significantly.

The logbook will calculate the percentage of time you use your car for work versus personal purposes. For example, if you travel a total of 5000km over the 12 weeks, and 2500km of those were for work, then your logbook percentage would be 50%. This means you can claim 50% of your car expenses.

Logbooks can be electronic (using an app), or a pre-printed version from a newsagent or office supply store.

Your logbook must contain the following details for every journey over the 12 weeks (both work and personal):

- The date of travel

- The reason for travel (either work or personal, but include a description if it was for work)
- Odometer readings at the start and end of the trip
- Number of kilometres travelled

What trips are considered work travel? Whenever you need to drive to a changing work location, then this will be work travel. For example, driving to the home of a patient.

However, if you are driving from your home to a regular place of work (for example, if you work from a specific clinic or gym for one day every week) then this would be private and therefore not deductible.

Tolls and parking

You'll need to keep track of all your toll and parking costs incurred as a result of your work-related travel. (Many people forget to track their tolls effectively because it simply goes on an e-tag account.)

But remember that if you have been reimbursed these costs by your employer, then they will not be deductible.

2. Working from home

You'll likely do most of your administration and training from home, and you will be able to claim a tax deduction in relation to this.

The deduction will often be based upon the number of hours that you work from home (assuming your spouse is not also working from the same room at the same time).

You'll need to provide to your accountant:

- the total number of hours that you have worked from home during the year.
- details of any equipment you have purchased for your home office, such as your desk, chair, monitors or computer

Starting in the 2023 Financial Year, the ATO now requires that a logbook or other appropriate form of record keeping (such as an employer timesheet) is required to be kept in order to substantiate a working from home deduction.

If you also treat patients from a room within your home, then there is the possibility of being able to claim additional expenses – but it's something you would need to talk through with a professional.

3. Other deductions

If your employer reimburses you for any of these costs, then you cannot claim the deduction.

- Laundry – if you are provided a mandatory work uniform that contains your employer's logo, then you may be able to claim for the washing of this uniform. If you do the washing at home, then you can calculate the cost on the basis of either 50 cents per washing load (if it's

mixed in with your other non-work washing) or \$1 per washing load if it's only your work uniform. There is a \$150 cap per year for this deduction.

- Phone expenses – you can claim for a work-related portion of your mobile phone cost. You can provide your accountant with an example monthly bill and your assessment of what percentage is appropriate for you to claim. (Note that if you are claiming the statutory home office rate based on the number of hours you work from home – as listed above in item 2 – you cannot also claim a separate phone expense deduction)
- Home internet – similarly to your phone expenses, you can claim for a work-related portion. You can provide your accountant with an example monthly bill and your assessment of what percentage is appropriate to claim. (Note that if you are claiming the statutory home office rate based on the number of hours you work from home – as listed above in item 2 – you cannot also claim a separate home internet expense deduction)
- Registrations and insurances – any medical registrations or liability insurances that you pay for can be claimed.
- Training and education – such costs are potentially deductible; it mostly hinges on whether it is related to your current role. For example, if you are a mobile physiotherapist with no management responsibilities, and you pay for training to become a better manager, then this expense won't be deductible. However, if you paid for a physiotherapy course then it might be.
- Subscriptions – if you have subscriptions that are for work-related items, then the cost of these can possibly be claimed.
- Consumables or equipment used for therapy – anything you use in the course of treating a patient will generally be tax-deductible, including oils or creams and treatment tables. Keep track of such purchases and provide the details to your accountant. (Although we note that many of these costs are generally reimbursed by employers and thus not deductible.)
- Tax-deductible donations – only donations paid to a registered charity will be tax-deductible. (Which means donations made to international causes or via intermediaries like GoFundMe are generally non-deductible). You need to check the receipt. But if you're not sure, simply send all receipts to your accountant.
- Additional super contributions – if you have made any personal super contributions (on top of those paid by your employer) then these might be deductible. Simply mention the occurrence of this to your accountant.

We're here to help

Mobile health professionals across a range of fields have quite specific requirements when it comes to tax.

Knowing what you can and can't claim is important for ensuring you maximise your income, and a big part of this is clear record keeping. If you have any questions at all, [please get in contact](#). We enjoy assisting many medical professionals with their tax requirements.