2026 Tax Tips for Employees

Tax time can be stressful, especially if you are not well prepared. Here are some tax tips to help you be better prepared for your next tax season.

1. Keep receipts for all work-related expenses

If your total claim for work-related deduction exceeds $300, you need to keep written evidence for all your expenses (not just for those in excess of $300). Purchases of goods and services are usually evidenced by a Receipt or a Tax Invoice from the supplier.

1.A $1000 Standard Tax Deduction for work related expenses (NEW) ** commencing 1/7/26.

The government will introduce a standard tax deduction of up to $1000 for work-related expenses from the 2027 year (1/7/26 onwards – next year). Standard deduction of $1000 will be eligible to australian tax residents who earn income from work. Such taxpayers will not need t oitemise or substantiate work-related expenses if they are claiming no more than $1000. You can choose to claim your deductions as you do now, keeping all receipts and documents, if your claimable expenses are more than $1000. There are certain expenses that can still be claimed separately on top of the $1000 (charitable donations / accountancy fees / union and professional association memberships). We can look at next year which way will work best for you. We would suggest you still keep all work related expenses – ready for either option.

2. Keep Logbook for Car Expenses

A logbook will help you work out the percentage of your work or business-related car use. You can claim that percentage of your total car expenses for the income year, including depreciation of the car cost and interest you paid on the car loan. You must keep a logbook for at least 12 consecutive weeks for the first year you are using this method. You need to keep a new logbook when your travel pattern changes or every 5 years. You also need to then keep all fuel, rego, repairs & maintenance, insurance, loan/interest documents and any other car related expenses you have incurred. Keep in mind that selling your car, for which logbook method had been used to claim the expenses, involves balancing adjustment. You need to keep the purchase and sale documents as well as history of logbook claims for your accountant to be able to calculate the adjustments. A logbook will also confirm KMs travelled for work under the cents per km method as well. - Check out our Motor Vehicle Log Book Details Tips.

3. Keep Diary Records for the following:

Working from home

If you work from home, you may be able to claim running expenses based on the ATO set rate of 70c per hour. You will need a detailed log which confirms the total hours worked from home for the entire income year. To take advantage of the actual cost method, you will need a record of the total hours logged that you worked from along with all expenses incurred and relevant invoices/receipts. Eg. Electricity & Gas Bill, Mobile phone plan, Internet Costs and other printing & stationery consumables. Check out our Home Office Expense Tips.

Work-related travel

Travel diary will help you work out your actual work-related and private expense portions of your trip. If you travel away from home for six or more nights in a row, you need to keep a travel diary, unless you are receiving travel allowance to travel in Australia and your claim does not exceed the amounts allowed by the ATO.

4. Use a card to pay for work-related expenses

While bank statements are not a substitution for proper receipts, they can help you track your work-related expenses. Knowing the details of expense, you can obtain a copy of the receipt from the supplier if the original receipt was lost.

5. Keep details of Self Education Expenses

To claim self-education expenses for courses of education, you must be able to demonstrate that the course is sufficiently connected to your current work activity. The course must either maintain or improve the skills required in your current work or be likely to result in increased earnings in your current work.

Keep all the Tax Invoices for the course fees together with the details of the course to be able to easily prove the connection. Keep details of all the other expenses relating to your self-education. Any fees that are Commonwealth Supported and that can be deferred to HECS are not eligible for deduction including student contributions to amenity fees etc. Travel in certain circumstances is tax deductible and should be substantiated through written evidence. In some circumstances full fee paying (not commonwealth supported courses) that can be deferred to the HECS/HELP system can be deductible when incurred – eg.. Post Graduates / MBAs / Masters – as long as they are directly relevant to your current income.

Minor work-related expenses <$10 not exceeding $100 in total

Whether your total work-related expenses exceed $300 or not, you do not need to keep receipts for those items and can get written evidence by making your own records, including date, details, cost and where you bought it from.

6. Keep track of your Super

From 1 July 2018, employees are able to make Tax Deductible (Concessional) Personal Superannuation Contributions to a superfund of their choice to boost their super savings and benefit from concessional tax treatment in superfund environment. Concessional Super Contributions are capped at $30,000 for the 2026 year and will increase to $32,500 for the 2027 Financial Year. You may also be able to contribute more to your super under the Carry Forward Concessional Rules. Keep in mind that Super Guarantee, Salary Sacrifice and other amounts that your employer pays to your superfund on your behalf also count towards your Concessional Contribution Cap. You need to keep track of your employer's contributions to work out how much you can contribute to you super without breaching the concessional cap. Other types of Contributions into super that can help with either Tax Rebates (Spouse Super – if your spouses income under $37k) or Govt Co-Contribution payments of $500 (Voluntary contributions – if your income is under $50k).

Contributions count when the payment is received by your Superfund, not when the payment is made. It is important to keep track of all contributions that you, your employer, or others make on your behalf to avoid exceeding the caps and paying extra tax.

Self Assessment: *Please note that Australian Taxpayers are subject to a self-assessment regime. This basically means that* ***you*** *are responsible for declaring all of your assessable income, and only claiming deductions and/or rebates to which you are entitled. The ATO is able to review your claims and increase or decrease the amount of tax payable for up to 2-4 years, and longer where tax avoidance is involved, after you lodge your tax return.*

Disclaimer: *All the information provided here is of general nature and does not constitute tax, legal or financial advice. It does not take into account your personal circumstances and is not intended to replace consultation with a qualified professional.*