

Self Education Expenses

Types of self education expenses allowable

The following types of expenses related to self education are allowable:

- (a) course or tuition fees for attending an educational institution, work-related conference or seminar, including student union fees;
- (b) the cost of professional and trade journals, text books and stationery;
- (c) transport expenses, including public transport fares and the running costs associated with motor vehicles as follows:
 - Cost of travel between:
 - home and your place of education;
 - your place of education and home;
 - work and your place of education;
 - your place of education and work.
 - Only the first leg of each trip is deductible where you travel:**
 - from home to your place of education then to work; or
 - from your workplace to your place of education then home.
- (d) where a taxpayer is away from home overnight, accommodation and meals expenses incurred on domestic / overseas study tours, on work-related conferences or seminars, or on attending an educational institution;
- (e) interest incurred on borrowed monies, where the funds are used to pay for self education expenses associated with a course of education that enables a taxpayer to maintain or improve his or her skill or knowledge or is likely to lead to an increase in income from the taxpayer's current income-earning activities

Types of self education expenses not allowable

The following expenses related to self education are not allowable:

- (a) a higher education contribution;
- (b) expenditure on meals while attending an educational institution, work-related conference or seminar **where the taxpayer is not required to sleep away from home;**
- (c) motor vehicle expenses and fares between a taxpayer's home and an educational institution where the institution is **also the taxpayer's place of work;** and
- (d) expenditure on accommodation and meals where a taxpayer has travelled to another location for self education purposes and is not considered to be away from home, but rather is considered to have established a new home.

Circumstances in which self education expenses are allowable

Self education expenses **are deductible** where they have a relevant connection to the taxpayer's current income-earning activities. If a taxpayer's income-earning activities are based on the exercise of a skill or some specific knowledge, and the subject of self education enables the taxpayer to maintain or improve that skill or knowledge, the self education expenses are also allowable as a deduction.

If the self education study objectively leads to, or is likely to lead to, an increase in a taxpayer's income from his or her current income-earning activities in the future, the self education expenses are allowable as a deduction.

No deduction where expenses designed to obtain employment for taxpayer

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However, **no** deduction is allowable for self education expenses if the study, viewed objectively, is designed to enable a taxpayer to:

- get employment;
- obtain new employment; or
- open up a new income-earning activity, (ie, whether in business or in the taxpayer's current employment).

Intention or purpose of taxpayer when incurring self education expenses is important

The intention or purpose of a taxpayer in incurring self education expenses is often taken into account when determining whether the expenses are characterised as allowable. Where a taxpayer genuinely undertakes a course of self education in order to obtain a promotion within his current employment activities, then this would indicate that the expenses would be deductible.