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MEDIA RELEASE

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TAX DEDUCTIBILITY OF COVID-19 TEST EXPENSES

The Morrison Government is taking action to ensure that COVID-19 tests (including Polymerase Chain Reaction and Rapid Antigen Tests) are tax deductible for hard-working Australians, and exempt from fringe benefit tax for businesses, where they are purchased for work-related purposes.

To remove any doubt, the Government will introduce legislation to make clear that work-related COVID-19 test expenses incurred by individuals will be tax deductible. This applies both when an individual is required to attend the workplace or has the option to work remotely.

By introducing this legislation, the Government will also ensure that fringe benefit tax will not be incurred by employers if they provide COVID-19 testing to their employees for work-related purposes.

This change will take effect from the beginning of the 2021-22 tax year and will be in place permanently.

This action recognises that COVID-19 tests are an important tool for mitigating transmission risks and absences from the workplace.

The Morrison Government has acted swiftly throughout the pandemic to provide Australians and small businesses with clarity and certainty, and continues to do so as they transition back to their workplaces.

Ends

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