Australian Government
Australian Taxation Office

Claiming a tax deduction for repairs, maintenance and replacement expenses

You can claim a tax deduction for expenses relating to repairs, maintenance or replacement of machinery, tools or premises you use to produce business income, as long as the expenses are **not** capital expenses. A capital expense is money spent to purchase assets like plant and equipment.

On this page:

What you can claim

You can claim expenses from allowable repairs, maintenance or replacement, including:

- painting
- conditioning gutters
- maintaining plumbing
- repairing electrical appliances
- mending leaks
- replacing broken parts of fences or broken glass in windows
- repairing machinery.

You don't have to own the property or item that is repaired in order to claim a deduction. A repair is one that restores the efficiency of function of the asset without changing its character, in order to maintain it in its original state. For example, you can fix defects or renew parts but you can't totally reconstruct something.

What you can't claim

You can't claim capital expenses, such as:

- substantial improvements to an item or property – for example, installing a new ceiling
- repairs made to machinery, tools or property immediately after you purchase or acquire them – this is because the price you paid reflects the item's condition.

You can generally claim a deduction for capital expenses under the:

- general depreciation provisions – for items
- capital works provisions – for property.

See also:

- Capital assets and expenses (/Business/Income-and-deductions-for-business/Deductions/Deductions-for-depreciating-assets-and-other-capital-expenses/)

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