

Accounting for fitness

Let's Get Started

9 TAX DEDUCTIONS THAT EVERY FITNESS STUDIO OWNER NEEDS TO KNOW ABOUT!





HEY, I'M MICHELLE

Accounting For Fitness helps fitness studio and gym owners with their accounting, tax and business needs to reduce financial overwhelm and allow you to focus on growing your business without burning out! With 15 years experience as an Accountant, I am also a qualified personal trainer and own 2 successful fitness studios in Melbourne! And THIS is where I can REALLY add value to your business! I understand the fitness industry, I know how to grow and run a successful fitness business and I understand the issues you're experience on a daily basis!



Michelle xo

LET'S DO IT!





Accounting
for fitness

Tax time can be a really daunting and intimidating experience for people in the fitness industry - but it doesn't have to be! The goal is to pay the least amount of tax (within the rules of course) and the way to do this is by understanding what you can and can't claim!

There are several tax deductions you may be able to claim & some of these are specific to the fitness industry or be things that you are not aware of! Here's our checklist of deductions everyone in the fitness industry should be considering!!

1. TRAINING & SELF EDUCATION
2. CLIENT & MEMBER GIFTS
3. WORKCOVER COSTS
4. MOTOR VEHICLE COSTS
5. HOME OFFICE DEDUCTIONS
6. MEMBERSHIPS & SUBSCRIPTIONS
7. PROTECTIVE CLOTHING
8. COMPUTER & TECHNOLOGY
9. ADVERTISING & MARKETING

In this E-Book we'll cover 9 tax deductions which are more specific to the fitness industry to make sure that if you are eligible - you don't miss out on the tax deduction!





01

SELF EDUCATION & TRAINING

As fitness professionals, we are regularly up-skilling both to become better trainers and also to maintain yearly CECs! If your course relates directly to your employment as a fitness professional (or running your business) and it helps to maintain or improve the skills and knowledge needed for your current role and it is likely to result in an increase in your fitness income then you are most likely able to claim this as a tax deduction. A great example of this is a Personal trainer who does a 2 week strength training for women course which will likely help increase the number of female clientele in the future.

If your study is only related to your current job in a general way or is designed to help you get an entirely different role, then you won't be able to claim a tax deduction for these courses. An example of this would be a personal trainer who is at uni studying to become a physio! Even though being a physio may utilise your skills as a PT, it is still a completely different job.

02 CLIENT & MEMBER GIFTS

Gifts that are not entertainment related, and have been gifted with the intention of generating future income are tax deductible. When we say the “Intention of generating future income” this could relate to the hope of generating client referrals or increasing client retention in your business. A good example of this is giving each of your PT clients a \$50 massage voucher as a birthday gift. On the other hand, if you were to purchase a \$600 bracelet for your sister who is also a PT client of yours, this would then be seen to be outside the course of your normal business and personal in nature and therefore not deductible.



03 WORKCOVER COSTS

If you have staff working out of your gym or fitness centre, please remember you have workcover obligations! If your staff injure themselves at work they can make a workcover claim to cover their income while injured.

You can check these out at <https://www.worksafe.vic.gov.au/insurance>

You'll pay an annual premium to ensure that if you or your staff get injured at work, you're covered and this premium is fully tax deductible!





04 MOTOR VEHICLE COSTS

Working in the fitness industry, you are not always based in the 1 location and we often find ourselves driving between gyms, clients or to training events on the same day. Motor vehicle deductions can get a bit tricky, but there are a few key things you should know.

Firstly, you can only claim travel BETWEEN places of work. This means that driving from home to your pilates studio is private even if you've just been at home for 2 hours doing client programs.

Secondly, there are 2 main ways to claim this motor vehicle deduction. The cents per km method is where you track how many business related km you travel during the year and you can claim 85 cents per km up to a maximum of 5,000km.

You can also use the logbook method to claim your actual car expenses such as petrol, registration, insurance and services. To use this method you're required to keep a logbook for 12 consecutive weeks and utilise your calculated business use percentage to determine how much of the actual car costs you can claim.

Preparing this logbook can be time consuming however it can be used for the next 5 years and depending on the level of your business related travel, it may be worth it!





05

HOME OFFICE DEDUCTIONS

Since covid, a lot of trainers have opened up studios in their garage OR have a separate room set up for their office. IF you have a separate office or gym set up at your home then you may be able to claim a portion of your rent, electricity and gas bills. There are a few things to watch out for here though. Firstly, if you are also paying rent to another gym, then you may not be able to claim these expenses. Secondly, you will need to apportion these costs based on some logical method – usually sqm of space that your home studio or office takes up in comparison to the whole house.

IF you're not able to claim your rent and utilities then don't stress – you can still claim your home office deductions another way! It's called the fixed rate method and gives you a 67 cent deduction for every hour you work from home doing things like business administration, emails, programming etc. To use this method you do need to keep a record of the total number of hours you work from home and these hours must relate to fulfilling your businesses duties.

06 MEMBERSHIPS & SUBSCRIPTIONS

Running a gym, Pilates or yoga studio can involve several subscriptions! There's your CRM (customer relationship management software) then there's music, canva, zoom, email software, calendar booking systems, accounting software, member apps, the list goes on! These usually add up to several thousand dollars during the year and it's worth making sure you keep your receipts for these.

In addition to this, memberships at various governing bodies such as Fitness Australia are also deductible.



07 WORK AND PROTECTIVE CLOTHING

You can claim a tax deduction for clothing where it is a compulsory work uniform with your business logo on it (or the name of the business you work out of). This may include tops, pants and hoodies. General or conventional clothing such as an Under Armour t-shirt or Nike leggings are not tax deductible as it is considered personal clothing that everyone could wear and doesn't specifically relate to your job.

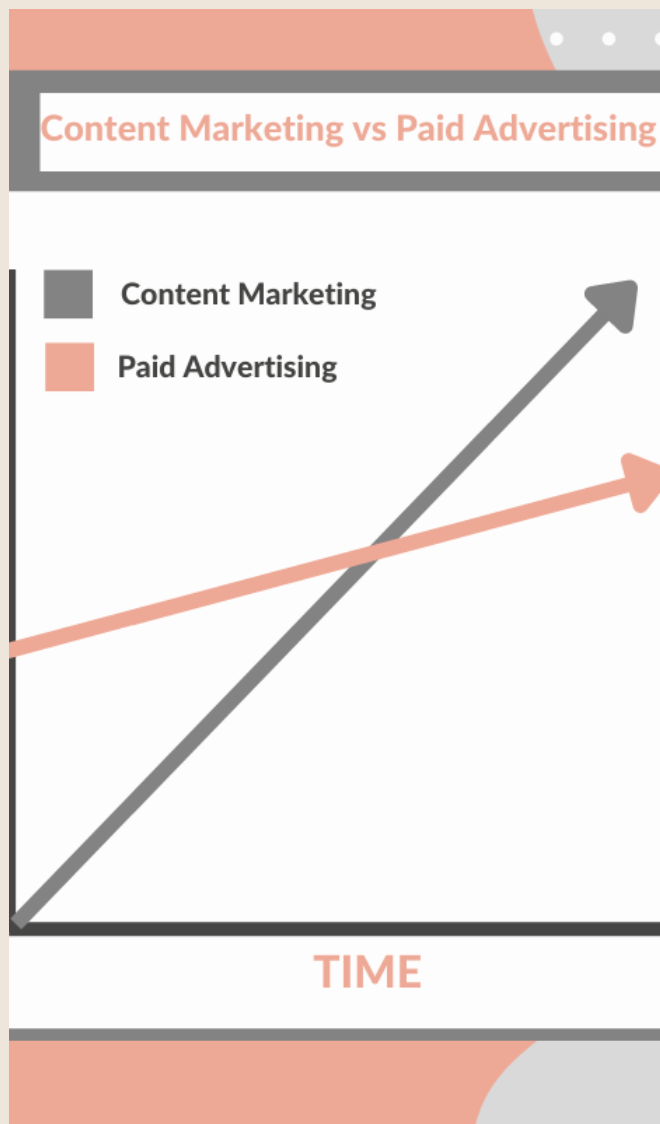
You can also claim a deduction for clothing that is safety related such as weight lifting gloves, sunglasses or sunscreen if you're taking outdoor sessions or a weight lifting belt.



08 COMPUTER & TECHNOLOGY

We regularly use our laptops for storing client programs and tracking payments, we use Ipads during sessions, speakers for group classes and phones for staying in touch with our clients! Because of this, you can claim the cost of technology hardware like this if it is used for business purposes. Where you use it partly for private purposes we simply apportion the cost.

Your phone and internet bills are also tax deductible to the extent they are used for business purposes.



09 ADVERTISING & MARKETING

Advertising and marketing costs are usually to generate new customers – which are essential for the success of your business and are therefore usually deemed as general operating expenses and tax deductible. There are a few curve balls though!

Advertising expenses such as social media ads, website running costs, flyers etc are all tax deductible.

Putting advertising on a car doesn't change the use of the car from personal to business use. While the cost of the printing & installation of these logos are tax deductible, the car itself won't be tax deductible unless you are using it for business purposes and utilise one of the motor vehicle claiming methods mentioned above.



AND REMEMBER...

How did you go? Are there items on this list that you hadn't thought of before?

It's really important to remember that the above examples are all general information and aren't intended to replace professional advice which takes into account your personal circumstances. If you'd like more information on any of these tax deductions feel free to reach out to me or my team and we'd love to chat more to make sure you're making the most of your tax deductions to lower your tax bill!

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WHAT OUR CLIENTS ARE SAYING



MICHELLE JUST GETS IT! SHE HAS A GYM HERSELF AND CAN TALK ABOUT THE TAX & NUMBERS SIDE IN A WAY THAT MAKES SENSE AND IS NOT OVERWHELMING! SHE'S ABLE TO OFFER INDUSTRY INSIGHT THAT IS SO VALUABLE.



I WOULDN'T HAVE A CLUE WHEN IT COMES TO THE BOOKKEEPING & TAX SIDE! IT USED TO TAKE ME HOURS EVERY WEEK. MICHELLE TAKES CONTROL OF IT & I CAN FOCUS ON THE THINGS I LOVE - TRAINING MY CLIENTS & GROWING MY BUSINESS!



HAVING MICHELLE IN MY CORNER AS MY ACCOUNTANT GIVES ME PEICE OF MIND. I KNOW SHE'S TAKING CARE OF ALL THE STUFF THAT KEEPS ME UP AT NIGHT! ACCOUNTANT MIXED WITH A BUSINESS MENTOR! I CAN'T RECOMMEND HER ENOUGH!

