

## **Tax Tip**

**Week of March 30, 2009**

### **Employee's Cost of Supplies**

Many employees purchase supplies and do not receive a reimbursement from their employer. If the following four conditions are met, an employee can claim such expenses on their tax return:

- under your contract of employment, you had to provide and pay for the supplies. This contract need not be in writing
- the supplies were used directly in your employment
- the employer has not repaid for these expenses
- the employee keeps with his or her records a copy of Form T2200 Declaration of Conditions of Employment that has been completed and signed by the employer

Supplies include items such as pens, pencils, paper clips, stationery, stamps and long-distance telephone calls, as long as you paid them to earn employment income. However, you cannot deduct the monthly basic rate for a telephone. Individuals can also deduct the portion of the airtime expenses for a cell phone that reasonably relates to earning employment income.

Supplies do not include items such as briefcases or calculators. If you buy or lease a cell phone, fax machine, computer, or other such equipment, you cannot deduct the cost. Also, you cannot deduct capital cost allowance or interest you paid on money borrowed to buy this equipment.