

## WORKING FROM HOME DEDUCTIONS

### Eligibility to claim

To claim working from home expenses, you must:

- ✓ be working from home to fulfil your employment duties, not just carrying out minimal tasks, such as occasionally checking emails or taking calls
- ✓ incur additional running expenses as a result of working from home
- ✓ have records that show **you** incur these expenses
- ✓ not have been reimbursed for the expenses by your employer

To calculate your deduction for working from home expenses, you must use one of the methods set out below.

Where you incur running expenses for both private and work purposes, you need to apportion your deduction. You can only claim the work-related portion as a deduction.

Details	YES	NO
<b>Method 1: Fixed rate method - 67 cents</b>		
<ul style="list-style-type: none"> <li>• A rate of 67 cents per hour applies to:               <ul style="list-style-type: none"> <li>○ energy expenses (electricity and gas)</li> <li>○ internet expenses</li> <li>○ mobile and home phone expenses</li> <li>○ stationery and computer consumables</li> </ul> </li> <li>• You can separately claim other costs, such as depreciation on computers or other running costs not referred to above</li> <li>• If you're using this method, you can't claim an additional separate deduction for these expenses</li> </ul>		
<b>Evidence</b>		
<ul style="list-style-type: none"> <li>• Record of <b>all</b> hours worked from home               <ul style="list-style-type: none"> <li>○ The ATO has warned that it will no longer accept estimates or a sample diary over a four week period.</li> <li>○ The ATO will allow taxpayers to keep a record representative of the total number of hours worked from home during the period from 1 July 2022 to 28 February 2023</li> <li>○ If you work from home outside of normal office hours, make sure your diary notes the hours that you worked.</li> </ul> </li> <li>• Copy of at least one document for each running cost you have incurred during the year which is covered by the fixed rate method</li> <li>• You <b>must</b> have personally incurred the expense</li> <li>• Make sure you have a record of when you work from home. The ATO won't accept a simple "I work from home every Wednesday" x 8 hours calculation.</li> </ul>		

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Method 2: Actual method		
<ul style="list-style-type: none"> <li>• Can claim the actual additional expenses you incur when you work from home (and reduce the claim by any personal use and use by other family members)</li> <li>• Using this method, you can claim the work-related portion of:               <ul style="list-style-type: none"> <li>○ The decline in value of depreciating assets – for example, home office furniture (desk, chair) and furnishings, phones, computers and laptops or similar devices.</li> <li>○ Electricity and gas (energy expenses) for heating, cooling and lighting.</li> <li>○ Home and mobile phone, data and internet expenses</li> <li>○ Stationery and computer consumables, such as printer ink and paper.</li> <li>○ Cleaning costs your dedicated home office</li> </ul> </li> </ul>		
<p><b>Evidence</b></p> <ul style="list-style-type: none"> <li>• Ensure you have kept records of these expenses and the extent to which the expenses relate to your work</li> <li>• Receipts showing the date purchased and amount spent on the assets</li> <li>• A record showing either;               <ul style="list-style-type: none"> <li>○ the number of actual hours you work from home during the entire financial year – for example, a timesheet or spreadsheet, or</li> <li>○ a continuous 4-week period that represents your usual pattern of working at home – for example, a diary</li> </ul> </li> <li>• The additional running expenses you incurred while working from home, such as receipts, invoices and other documents</li> <li>• How you worked out the amount of your deduction</li> </ul>		

**Final Note:**

Be careful with these methods because the ATO is looking closely to ensure these expenses are directly related to how you earn your income. For example, you can't claim personal expenses such as coffee, tea and toilet paper even if you do use these items when you are at work. Nor can you claim occupancy expenses such as rent, mortgage interest, property insurance, and land taxes and rates unless your home is a place of business. It is unusual for an employee's home to be classified as a place of business.