



Stream Advisory

Making More Possible

WORKING FROM HOME TAX DEDUCTIONS

As many of you may now be working from home, the ATO has adjusted the way you can claim working from home deductions at tax time.

To claim a deduction for working from home, all the following must apply:

- You must have spent the money.
- The expense must be directly related to earning your income.
- You must have a record to prove it.

This means you cannot claim a deduction for items provided by your employer or if you have been reimbursed for the expense.

If you are not reimbursed by your employer, but instead receive an allowance from them to cover your expenses when you work from home, you must include this allowance as income in your tax return.

Expenses you can claim

- electricity expenses associated with heating, cooling and lighting the area from which you are working and running items you are using for work
- cleaning costs for a dedicated work area
- phone and internet expenses
- computer consumables (for example, printer paper and ink) and stationery
- home office equipment, including computers, printers, phones, furniture and furnishings - you can claim either the:
 - full cost of items up to \$300
 - decline in value for items over \$300.

Expenses you can't claim

If you are working from home only due to COVID-19, you:

- cannot claim occupancy expenses such as mortgage interest, rent and rates
- cannot claim the cost of coffee, tea, milk and other general household items your employer may otherwise have provided you with at work.

For more information, please call us on 1300 983 928 or email info@streamadvisory.com.au



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Calculating running expenses

There are three ways you can choose to calculate your additional running expenses:

Fixed rate method — claim all of these:

- a rate of 52 cents per work hour for heating, cooling, lighting, cleaning and the decline in value of office furniture,
- the work-related portion of your actual costs of phone and internet expenses, computer consumables, stationery, and
- the work-related portion of the decline in value of a computer, laptop or similar device.

Actual cost method — claim the actual work-related portion of all your running expenses, which you need to calculate on a reasonable basis.

Shortcut method — claim a rate of 80 cents per work hour for all additional running expenses. This temporary method for calculating expenses is available for the period from 1 March 2020 until 30 June 2020, after which the ATO may extend this option based on the current work climate. The shortcut method is only applicable for those that:

- do not have a dedicated area set aside for working in your home,
- are working from home to fulfil your employment duties and not just carrying out minimal tasks such as occasionally checking emails or taking calls,
- incurring additional deductible running expenses as a result of working from home.

Further information on how to calculate running expenses can be found at:

<https://www.ato.gov.au/Individuals/Income-and-deductions/Deductions-you-can-claim/Home-office-expenses/>