

Changes to Working From Home Deductions 2023 FY

Eligibility

To be eligible to claim a deduction for working from home expenses, you must:

- incur additional running expenses as a result of working from home
- be working from home to fulfil your employment duties, not just completing minimal tasks
- keep records at the time you work to prove you incur the cost.

To calculate your working from home expenses, you can use the revised fixed rate method or the actual cost method. Remember, you can only claim the work-related part of an expense.

Revised fixed rate method

The revised fixed rate method means you no longer require a dedicated home office and allows you to claim 67 cents per hour you work from home for the expenses listed below:

- data and internet
- mobile and home phone usage
- electricity and gas
- computer consumables
- stationery.

You can't claim a separate deduction for any of the expenses the revised fixed rate includes.

You can claim a separate deduction for:

- the decline in value of assets used while working from home, such as computers and office furniture
- the repairs and maintenance of these assets
- cleaning (only if you have a dedicated home office).



Actual cost method

The actual cost method allows you to claim a deduction for the actual expenses you incur as a result of working from home. You may be able to claim a deduction for each of the expenses you incur, such as:

- data and internet
- mobile and home phone usage
- electricity and gas
- computer consumables (e.g. printer ink)
- stationery
- the decline in value of assets used while working from home, such as computers and office furniture, as well as any maintenance and repairs of these items
- cleaning (only if you have a dedicated home office).

The actual cost method requires detailed calculations and records. If you plan to use this method, see ato.gov.au/home

You can work out your work-related expenses using records for the entire year or over a 4 week period that represents your work use – for example, using a diary or itemised bill.

Record Keeping Checklist

Check you have the correct records before claiming a working from home deduction.

Revised fixed rate

You will need the following records:

- a record of all the hours you work from home for the entire year (e.g. a timesheet, roster, diary or similar document)
- evidence you paid for the expenses covered by the revised fixed rate method (for example, if you use your phone and electricity when you work from home, keep one bill for each of these expenses).

You will also need records for items you claim as a separate deduction.

For the 2022–23 income year

From 1 July 2022 to 28 February 2023, the ATO will accept a record which represents the total number of hours worked from home (for example a 4 week diary).

From 1 March 2023, a record of all the hours you worked from home is required.

Actual cost method

You will need to keep a record for every expense you claim.

Running expenses

- You need the following evidence to show you incur additional running expenses: receipts, bills or invoices which show the supplier, amount of the expense, nature of the goods, date it was paid and the date of the document
- evidence of your personal and workrelated use of the items or services you buy and use.

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