

# HOME OFFICE EXPENSES - EMPLOYEES



For 2019/2020 tax year, there are 3 methods available for claiming home office expenses as an employee –

1. Fixed Rate Method (1 July 2019 to 30 June 2020)
2. Shortcut Method (1 March 2020 to 30 June 2020)
3. Actual Cost Method (1 July 2019 to 30 June 2020)

You can choose the method or combination of methods that gives you the best claim.

## FIXED RATE METHOD

Under this method, you can claim a fixed rate of 52 cents per hour for each hour you work from home.

To use this method, you must have a dedicated area which is used only as a home office.

This method does not include the following expenses. They can be claimed separately. –

- Telephone
- Internet
- Decline in value of equipment
- Computer consumables and stationery.

To show the hours that you work, you need a diary that shows:

- The total number of hours spent working from home (you will need to exclude leave periods such as: sick leave; annual leave, long service leave and public holidays if you did not perform work during those periods)
- At least a four-week period of your regular pattern of working at home
- Any small expenses (i.e. \$10 or less) where you can't get receipts to a maximum of \$200 in total
- Work related internet use
- Work use of computers, etc

## SHORTCUT METHOD (1 March 2020 to 30 June 2020)

Using this method, you can claim 80 cents per hour for each hour you work from home during this period.

This method covers all your work from home expenses, including –

- Telephone
- Internet
- Decline in value of equipment and furniture
- Electricity and gas for heating, cooling and lighting.

If you use this method, no other expenses for working from home can be claimed.

### HHH Partners

Taxation  
Advisory  
Finance

### Emerald

39 Anakie Street  
PO Box 577  
Emerald  
QLD 4720  
Tel (07) 4983 9999  
Fax (07) 4983 9909

### Rockhampton

18 East Street  
PO Box 740  
Rockhampton  
QLD 4700  
Tel (07) 4930 0600  
Fax (07) 4983 9909

### hhhpartners.com.au

accountants@hhhpartners.com.au



# HOME OFFICE EXPENSES

## - EMPLOYEES



- You don't need a dedicated home office area for this method. You must have proof of working the hours. This could be a timesheet, or a diary record of the number of hours you worked from home during this period. You will need to exclude leave periods such as: sick leave; annual leave, long service leave and public holidays if you did not perform work during those periods.

### ACTUAL COST METHOD

Under this method a claim is available for the additional running costs you incur directly related to working from home. This can include –

- Electricity and gas for cooling, heating and lighting
- Decline in value of home office furniture and furnishings (e.g. office chair, desk)
- Decline in value of phones, computers, laptops; etc.
- Telephone expenses
- Internet expenses
- Cleaning (dedicated home office area only)
- Computer consumables
- Stationery

If there is no dedicated home office area, generally there will be only minimal additional running expenses. For example, if your area is in an open plan lounge room there would not be additional costs for lighting, heating and cooling.

To calculate your claim, you must have the following records –

- The number of hours you work from home during the year (you will need to exclude leave periods such as: sick leave; annual leave, long service leave and public holidays if you did not perform work during those periods)
- A diary of at least 4 weeks showing your usual pattern of working from home
- Calculate the decline in value of plant, equipment, furniture and furnishings.
- How you worked out the percentage of work use as against private use.
- Calculate the cost of cleaning your home office from receipts and the work use percentage of your office.
- Work out the cost of your heating, cooling and lighting. Refer to your utilities bill to get the hourly rate. You also need the average units per hour used by each appliance; and the total hours used during the tax year.
- Calculate the cost of home phone, mobile phone and internet expenses. Where you have an itemised bill, you need to work out your use over a minimum four week period.
- Work out the cost of computer consumables and stationery from receipts.

Should you have any queries in relation to home office expenses, please [contact our office](#).

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QLD 4700  
Tel (07) 4930 0600  
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