

HOME OFFICE CLAIMS – **INFORMATION NEEDED** – 2021 FINANCIAL YEAR

Our accounting team will calculate the best method to maximise your deduction (see detailed fact sheet included on the next two pages)

For us to be able to do this please advise the following with your 2021 tax work:

- 1) Whether you worked from home during the 2021 financial year?

If you answered yes to the above

- 2) Whether you have a separate home office that was used for work or whether you worked from a common area in the house such as the kitchen or lounge room?
- 3) The number of hours you worked from home
- 4) Equipment/stationery and other items that were purchased to work from home during 2021.

For all items over \$300 please provide a copy of the receipt for our audit files

- 5) Mobile phone, home phone and internet costs
 - a) Costs per month
 - b) Percentage work use

Note that internet work use will need to account for the private use of other members of your household including spouse and children and the use of personal streaming services.

2021 WORKING FROM HOME – MAXIMISING YOUR DEDUCTIONS

The ATO has recognised the unprecedented change in working environments by developing a shortcut method to claim home office that can be used by many taxpayers that were not eligible to claim home office costs before.

While this shortcut method is a respectable step by the ATO for helping taxpayers claim a justified deduction for expenses incurred while working from home - **it may not be the best method to use depending on your circumstances.**

In this fact sheet we will look at the alternative options available to you to claim and let you know how best to provide information to the team at Callaghans to ensure you get the maximum deduction available!

RULES FOR THE 2021 TAX YEAR

Home office running costs can be claimed for this financial year [whether you have a separate dedicated work area at home or not.](#)

Home office expenses can be claimed in one of three ways

1) SHORTCUT METHOD

Allows for a claim rate of \$0.80 per hour. This rate includes all peripheral items such as

- ✓ Phone and internet
- ✓ Electricity and gas for lighting, heating, and cooling
- ✓ Equipment purchased for working from home such as cables and stands
- ✓ Computer consumables and stationery
- ✓ Depreciation of home office furniture and all equipment

As the items above are included in the \$0.80 rate in many cases, if there is a separate home office used, it may be more beneficial to use the **Fixed Rate Method** below and be able to add on other expenses still allowed.

2) FIXED RATE METHOD

Allows for a rate of \$0.52 per hour to be claimed.

This fixed rate covers

- ✓ Electricity and gas for lighting, heating, and cooling
- ✓ Decline in value of home office furniture
- ✓ Cost of repairs to your home office furniture

Under this method we can also separately include

- Phone, internet, and consumables expenses such as ink and stationery (based on work use)
- Decline in the value of equipment such as your laptop and monitors
- Equipment purchased for working from home such as cables and stands

Continued on next page.

3) ACTUAL COST METHOD

This method lets you directly claim actual costs for all expenses related to running a home office.

Rather than using a set rate you would claim the actual running costs of equipment and heating and cooling for the space that you occupy as a dedicated home office. As this method requires knowing the energy units used per piece of equipment and the cost per unit it is infrequently used to calculate running costs.

Under this method we can include separately

- Phone, internet, and consumables expenses such as ink and stationery (based on work use)
- Decline in the value of equipment such as your laptop and monitors