



ATO UPDATE

Claim 80c per hour Working from Home

Taxpayers will be allowed to claim a rate of 80 cents per hour for all their running expenses, rather than needing to calculate costs for specific running expenses. The simplified method will cover all deductible running expenses, including electricity for lighting; cooling or heating and running electronic items, phone and internet costs; and the decline in value of a computer, laptop, home office furniture and furnishings. The requirement to have a dedicated work-from-home area will also be removed, with multiple people in each household allowed to claim the new rate.

The new method will cover the period starting 1 March 2020 until 30 June 2020, with the ATO open to extending the method depending on when work patterns start to return to normal.

The new arrangement will require records of the hours worked at home and can be in the form of timesheets or diary notes.

ATO example:

Bianca is an employee who works as a copywriter and editor. Bianca starts working from home on 16 March as a result of COVID-19 and replaces her face-to-face meetings with online video conferencing.

Bianca has just bought a new laptop, desk, chair and stationery. She also wants to claim some additional gas, electricity, phone and internet costs due to working from home.

Under the shortcut method, Bianca can now claim all her expenses under a rate of 80 cents per hour. All she needs is her timesheets.

Bianca can also decide to claim using existing working-from-home calculations. Under that method, she can claim the desk, chair, gas and electricity under the 52 cents per hour, but she would need to work out the decline in value of the laptop and calculate the work-related portion of the laptop, stationery, phone and internet.

Read more here:

<https://www.ato.gov.au/uploadedFiles/Content/IND/Downloads/working-from-home.pdf>