

Your guide to claiming working from home expenses for 2023–24 income year



A taxpayer who carries on part or all their business or employment activities at home may be entitled to a deduction for part of their outgoings related to working from home.

There are two ways to calculate a work from home deduction:

Fixed rate method

From 1 July 2022, the revised fixed rate method allows individuals to claim running expenses incurred as a result of working from home at 67 cents per hour (PCG 2023/1).

The revised rate accounts for energy (electricity and gas), phone, internet, stationery and consumable expenses.

Also, a taxpayer is no longer required to maintain a dedicated workspace at their home.

To claim the fixed cost method, taxpayers must keep a record of:

- the total number of hours worked from home (for the entire year)
- the additional running expenses covered by the rate per

hour (for example, phone bill, electricity bill, stationery and computer consumables etc.)

- any depreciating assets (and how much of their use of that asset was work-related).

A separate deduction may be claimed for any depreciating assets (not included in the rate per hour), like office furniture or technology.

Actual cost method

The actual cost method allows you to claim a deduction for the actual expenses incurred as a result of working from home.

To claim the actual cost method, taxpayers must keep a record of:

- the number of hours worked from home (whether that be the total hours, or a continuous four-week period representing the usual pattern of work, if their hours are consistent throughout the year)
- their additional running expenses (for example, phone bills, electricity bills)
- how the deduction was calculated.

Contact us

Please feel free to contact our office on 08 6118 6111 or hello@prescottsolutions.com.au, should you need help with collating the necessary information or preparing draft calculations to claim your work from home expenses.