

Home office worksheet (running expenses and occupancy costs)

Taxpayer's name

Tax file number

Year ended

Home office running expenses

These include utilities such as gas, electricity, heating and lighting, as well as depreciation of home office furniture and furnishings.

Home office running expenses do **not** include other deductible computer consumables and stationery, which may be separately claimed as a deduction (where appropriate).

The two most common methods used to claim home office running costs are the **cents per hour (standard) method** and the **ATO actual (formula) method**, both of which simply require a taxpayer to record the number of hours their home office was used for work or business.

For the 30 June 2021 year, consider using the COVID-19 temporary simplified method (shortcut method), applicable from 1 March 2020 to 30 June 2021 – refer to PCG 2020/3.

Under this method, home office running costs can be claimed at a rate of 80 cents per work hour for all additional running expenses.

<https://www.ato.gov.au/general/covid-19/support-for-individuals-and-employees/employees-working-from-home/>

Which method is being used to claim the home office running costs? (please tick)

- **Method 1: Cents per hour (standard) method** (i.e., **52 cents per hour** for the **2021** income year)
- **Method 2: ATO actual (formula) method**

Please ensure that the taxpayer can appropriately evidence the hours worked in the home office. Refer to the **Home Office Usage Diary**.

Method 1: Cents per hour (standard) method

$$\begin{array}{rclclcl} \text{Number of hours home office used} & \times & \text{Standard rate} & = & \text{Claim} \\ & & \text{Hours} & \times & \text{52c per hour} & = & \$ \end{array}$$

Method 2: ATO formula method

Note: An appropriately apportioned depreciation claim for home office furniture and furnishings would need to be separately calculated under this method. For these purposes, reference should be made to the **Depreciating Asset Usage Diary**.

$$\begin{array}{rclclcl} \text{Cost per unit of power,} & \times & \text{Average units} & \times & \text{Total annual income hours} & = & \text{Claim} \\ \text{heat light etc} & & \text{used per hour} & & & & \\ \\ \$ \underline{\hspace{2cm}} & \times & \text{Units} & \times & \text{Annual income hours} & = & \$ \end{array}$$

Occupancy expenses

Occupancy expenses are only claimable where the home office is the taxpayer's 'place of business' or 'sole base of operations'. Refer to Taxation Ruling TR 93/30. These expenses include expenses such as appropriately apportioned rent, mortgage interest, rates and building insurance.

*Note: In many instances, taxpayers eligible to claim home office running expenses may **not** be eligible to claim a deduction for occupancy expenses where they do not satisfy the requirement outlined in TR 93/30.*

Total occupancy expenses

		\$	
		\$	
		\$	
		\$	_____
Total occupancy expenses		\$	
Floor area of home office (Expressed in square metres)	x		_____ m ²
		\$	
Total floor area	÷		_____ m ²
Occupancy expense		\$	_____
Running expenses	+	\$	_____
Total home office expenses (Occupancy + running expenses)		\$	_____

*Note: Where an area of the home is a place of business for part of the year only, it may be necessary for occupancy expenses to be apportioned on **both a floor area and a time basis**. The time apportionment should reflect the period during the income year in which the relevant area of the taxpayer's home room was used for income producing purposes.*