



[Home](#) / [General](#) / [COVID-19](#) / [Support for individuals and employees](#)
/ [Employees working from home](#)

Working from home during COVID-19

We understand that due to COVID-19 your working arrangements may have changed. If you have been working from home, you may have expenses you can claim a deduction for at tax time.

Before claiming a deduction for working from home expenses, you need to understand your circumstances. The information below is for employees, if you're running a home-based business, see [Deductions for home-based business expenses \(/Business/Income-and-deductions-for-business/Deductions/Deductions-for-home-based-business-expenses/\)](#).

On this page

- [Claiming working from home expenses](#)
- [Calculating your working from home expenses](#)

Claiming working from home expenses

As an employee, to claim a deduction for working from home, **all** the following must apply:

- you must have spent the money
- the expense must directly relate to earning your income
- you must have a [record \(/Individuals/Income-and-deductions/Records-you-need-to-keep/\)](#) to prove it.

This means you **can't** claim a deduction for:

- items your employer provides
- expenses where you have been reimbursed for them.

If you are not reimbursed by your employer, but receive an allowance from them to cover your expenses when you work from home, you:

- must include this allowance as income in your tax return
- can claim a deduction for the expenses you incur.

If you work from home, you can claim a deduction for the additional running expenses you incur. These include:

- electricity expenses associated with heating, cooling and lighting the area from which you are working and running items you are using for work
- cleaning costs for a dedicated work area
- phone and internet expenses
- computer consumables (for example, printer paper and ink) and stationery
- home office equipment, including computers, printers, phones, furniture and furnishings – you can claim either the
 - full cost of items up to \$300
 - decline in value (depreciation) for items over \$300.

Occupancy expenses relating to your home, such as rent, mortgage interest, property insurance and land taxes, will not become deductible merely because you are required to work from home due to COVID-19. Because your occupancy expenses are not deductible, working from home during COVID-19 will not disqualify you from claiming the capital gains tax (CGT) [main residence exemption](#) ([/Individuals/Capital-gains-tax/Property-and-capital-gains-tax/Your-main-residence-\(home\)/Using-your-home-for-rental-or-business/](#)), when you sell your home.

Calculating your working from home expenses

Tracking your working from home expenses can be challenging, so we introduced a temporary [shortcut method](#) ([/Individuals/Income-and-deductions/Deductions-you-can-claim/Working-from-home-expenses/Shortcut-method/](#)). It's a simple way to calculate these expenses with minimal record keeping requirements. The temporary shortcut method initially applied from 1 March to 30 June 2020, however it can now be applied up until 30 June 2022.

The shortcut method is just one of three ways available to work out your deduction for working from home expenses. For more information about what you can claim and the other methods available, see [Working from home expenses](#) ([/Individuals/Income-and-](#)

[deductions/Deductions-you-can-claim/Working-from-home-expenses/](#)).

For more information, see:

- [COVID-19 – frequently asked questions \(/law/view/document?DocID=SAV/COVID19-FAQ/00002&PiT=99991231235958\)](#).
- [PCG 2020/3 \(/law/view/document?DocID=COG/PCG20203/NAT/ATO/00001&PiT=99991231235958\)](#). *Claiming deductions for additional running expenses incurred whilst working from home due to COVID-19.*

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Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

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