



## Working from home deduction changes for 2022-23

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- <https://www.ato.gov.au/Tax-professionals/Newsroom/Income-tax/Working-from-home-deduction-changes-for-2022-23/>
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## Working from home deduction changes for 2022–23

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The record keeping requirements and methods for calculating working from home deductions has changed for the 2022–23 income year onwards.

Following consultation with the tax profession, the proposed changes to the working from home fixed rate method have been finalised, and [PCG 2023/1](#) is now available.

From the 2022–23 income year, the methods available to calculate working from home deductions are the:

- revised fixed rate method
- actual cost method.

While the actual cost method remains unchanged, the revised fixed rate method has been updated to better reflect contemporary working from home arrangements, making it easier to calculate expenses and avoid time-consuming apportionment calculations.

The [revised fixed rate method](#):

- has increased from 52 cents to 67 cents per hour worked from home
- removes the requirement to have a dedicate home office space
- works out the claim for
  - electricity and gas
  - phone and internet usage
  - computer consumables
  - stationery
- allows taxpayers to separately claim the work-related portion of the decline in

value of depreciating assets – such as office furniture and technology.

The revised fixed rate method can also be used by businesses that operate some or all of their business from home to claim home-based business expenses.

If your client plans to use the revised fixed rate method for their 2022–23 tax return, they need to have:

- from 1 July 2022 to 28 February 2023 – a record which is representative of the hours they worked from home
- from 1 March 2023 to 30 June 2023 – a record of the total number of hours they worked from home (such as a timesheet, roster or diary) as well as evidence they paid for each of the expenses they incurred that are covered by the fixed rate method (for example, a phone or electricity bill). They will also need records for any equipment they bought to work from home, like technology or furniture (which provides details of the supplier, cost, date acquired).

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