



Calculating phone and internet expenses

There are two ways to calculate your phone and internet expenses:

- ✔ you can claim up to \$50 with limited documentation, or
- ✔ you can calculate your actual expenses.

Claiming up to \$50

If your work use is incidental and you are not claiming a deduction of more than \$50 in total, you may make a claim based on the following, without having to analyse your bills:

- 25 cents for work calls made from your landline
- 75 cents for work calls made from your mobile
- 10 cents for text messages sent from your mobile.

Actual expenses

If you have a phone or internet plan where you receive an itemised bill, you need to determine your percentage of work use over a four-week representative period which can then be applied to the full year.

You need to work out the percentage using a reasonable basis. This could include:

- the number of work calls made as a percentage of total calls
- the amount of time spent on work calls as a percentage of your total calls
- the amount of data downloaded for work purposes as a percentage of your total downloads.

If you have a bundled plan, you need to:

- apportion the cost of the plan between the services provided
- identify your work use for each service over a four-week representative period during the income year, which can then be applied to the whole year.
- The same method should be used for non-itemised plans.



Common examples

Example: Julia – a dedicated room for work

Julia is a lawyer who works as an employee for a large city firm. Julia's employer agrees that she can work from home two days per week. She has a home office that she works in on the days she does not travel to the city. Julia and members of her family use the home office for private purposes, including private use of the computer and to store household items.

Julia can claim running costs, but only the portion of the expenses that relate to her work-related use of the home office. In working out her work-related use of the home office and the computer, Julia takes into account not only her own private use but also her family's use of the home office and the computer.

Example: James – no set work area

James is a high school teacher. From time to time, James works in the lounge room at home – for example, to mark tests and prepare end of term reports. He does not have a room set aside exclusively for work.

James can only claim running costs associated with the work he does at home – such as the work-related proportion of the decline in value of the laptop he uses to prepare the reports and the additional cost of lighting, heating and cooling his lounge room. He is also entitled to claim the cost of electricity to power his laptop for the hours he spends working at home.

James's family are in the lounge room watching television at the same time that he is in there marking tests and preparing end-of-term reports. He cannot claim the additional cost of lighting, heating and cooling his lounge room. However, he can still claim the cost of electricity required to power his laptop for the time he spends working and the work-related proportion of the decline in value of the laptop he uses to prepare reports.

Example: Natalie – chooses to work from home

Natalie is a web developer for a large company and usually works from their office in her city. While Natalie is not required to work from home, her employer supports it. Natalie is not provided with the work equipment to use at home, so she uses her own laptop, internet connection, mobile phone and thumb drive. She is not reimbursed by her employer for these costs.

Natalie is entitled to claim running costs including the work-related proportion of the decline in value on her laptop, her office desk and chair, and a percentage of lighting, heating and cooling that reflects her work-related use of the office, as well as the cost of using her own internet connection and mobile phone for work. Natalie needs to apportion these expenses to take her private use into account.



Records you must keep

You must keep records, such as:

- a diary for a representative four-week period to show your usual pattern of working at home
- receipts or other written evidence, including for depreciating assets you have purchased
- diary entries to record your small expenses (\$10 or less) totalling no more than \$200, or expenses you cannot get any kind of evidence for
- itemised phone accounts from which you can identify work-related calls, or other records, such as diary entries.

⚠ If you use the four-week representative period to calculate your expenses over the income year and your usual pattern of work changes throughout the year, you will need to keep separate records to show your expenses.

For example, if you normally work from home one day a week and due to an emergency situation, such as COVID-19, bushfire or drought, you're required to work from home for an extended period, you need to keep records of both:

- the actual hours you've worked from home due to the emergency situation
- your usual working from home arrangements.

This is a general summary only

For more information, go to ato.gov.au/workingfromhome or speak to a registered tax professional.