



I have recently started my own business and work from home. What proportion of my rent can I claim as a tax deduction?

Ellie, Sydney

The Australian Taxation Office (ATO) is quite particular with the claiming of home office expenses. As you are genuinely operating your business from home then you are allowed to claim a proportion of rent based on the actual floor space that you use for the business.

If, for example, your home office space is 4m x 5m (ie 20sqm) and the total house is 140sqm in size then you can claim 14% of your rent for tax purposes.

The ATO will not accept estimates in an audit, so you will need to get quite accurate with your calculations. Get the measuring tape out and write down the dimensions of your office and house. It also assists if you take photos of your office for your own records.

You can also make a claim for a portion of other home office running expenses such as phone, internet, electricity and your computer. I suggest that you sit at your desk and scan your eye around the room for other expenses that you could claim as well.

Good luck with the business Ellie!