



Accounts on Call Limited

Home Office Costs

When running a business from your home you are entitled to claim a portion of household expenses as a business expense.

To do so you will need to determine the area of your home principally used as an office or storage area i.e. where an office space is 20 square metres of a total home area of 200 square metres then 10 % of the house expenses (including GST) can be claimed. This percentage can be used to calculate the claimable portion of the following expense examples:

- Rent or Mortgage Interest (not principal)
- Rates
- Power
- Insurance

Telephone

The IRD allows a 50 % claim on home rental provided you run your business from your home. Business related calls however will need to be identified in order to be claimed.

Where GST has been charged on the expenses to be claimed, the GST content on the portion of expenses being claimed can be included on a GST return if your business is GST registered.

You will need to keep invoices and a full record of expenses being claimed.

For more information please visit the IRD website follow this link:

www.ird.govt.nz/business-income-tax/expenses/homebus-exp/

The above information is of a general nature and should be used as a guide only.