

# INDUSTRY DEDUCTIONS GUIDE

## PROPERTY EXPENSES

### Are utility bills, water, power and gas deductible?

They are! For the percentage you use the property for work. The percentage is usually worked out on a floor space basis for work vs. private use.

### What about council rates?

Maybe. Payments to the council in relation to the ownership of the property generally are not deducted. Where the rates are paid to the landlord for a rented property specifically for work then they would be claimable, or for a property which is solely purchased for investment/work purposes.

### I want to renovate my home can that be claimed?

Sadly, no. Permanent changes to your house via renovations are capital improvements by nature. These are not claimable unless you are willing to waive the capital gains exemption on your private residence. In the event you had an apartment you specifically owned for work, then this would not have the prime residence capital gains exemption as it would be income producing, and then you could claim depreciation on those renovations.

### What about my rent?

YES! Rent is claimable based on the percentage used for work. For those renting a specific space for work purposes, then the full amount is deductible. For those working from where they also live, then the floor space would be used to calculate the percentage claimable, this could include a home office space, a staging/content room. For wholly online workers who use their whole house to create content, discretion on how much to claim would need to be used based on the earnings of that specific worker and the nature of their business.

*The Empire Team*

