

# June 2025

## Tax Time



Optio Advisor

### Top five work-from-home questions



The tax office has provided the following answers to taxpayers' questions about claiming work-from-home deductions for this tax time.

#### Is there a minimum number of hours to qualify for a working from home deduction?

There is no minimum number of hours required to claim a working from home deduction. To claim these expenses, taxpayers must be working from home to fulfil their employment duties, not just carrying out minimal tasks, such as checking emails or taking calls. They must also incur additional running expenses because of working from home, and have records that show they incurred these expenses.

#### What types of records do taxpayers need to prove their 'total hours worked from home'?

If using the **fixed rate method**, taxpayers need to have records that show all of their hours worked from home between 1 July 2024 and 30 June 2025 (including the start and finish time, each time they worked from home). This can be recorded through a diary, spreadsheet, rosters or timesheets. The record of hours must be made at the time they work from home, or as soon as possible afterwards. The ATO will no longer accept an estimate or a representative record.

If using the **actual cost method**, taxpayers will need a record showing a continuous four-week period that represents the usual pattern of working from home — e.g., a diary.

#### What is the fixed rate for Tax Time 2025?

The fixed rate for the 2025 income year is 70 cents per hour worked from home.

#### What is a practical way to prove work use of a phone?

If a taxpayer uses the **fixed rate method** to claim their working from home expenses, they cannot claim a separate deduction for their phone calls and data usage. These expenses are included in the fixed rate per hour.

Taxpayers who plan to use the **actual cost method** to claim their working from home expenses will need to calculate their work-related percentage of phone calls and data usage on a reasonable basis.

#### Can an employee claim rent as part of the actual cost method if they work from home full time?

An employee working from home generally cannot claim for occupancy expenses such as rent, insurance or mortgage interest — except in limited circumstances where they have an area of their home set aside as a 'place of business'.

If a taxpayer owns their home and is intending to claim occupancy expenses, there may be capital gains tax ('CGT') implications for their home.

## Donations to Charities

Donations to charities are only allowed as a deduction if the charity is registered as a 'Deductible Gift Recipient' (DGR). Charities that are registered will provide a receipt which shows their ABN and that they are registered as a DGR. You can check their status by searching their ABN at [abr.gov.au](http://abr.gov.au).

You must have a receipt for all donations made except where the donation is made to a 'bucket collection' for a charity that is providing support for natural disaster victims when a disaster has occurred. In those cases, you can claim up to \$10 without needing a receipt. For all other charity donations, you must have a receipt.

Donations made through social media or crowdfunding platforms are not usually supporting a DGR registered charity. You should always check that the entity you are donating to is registered. Where the donation is made direct to an individual, it is highly unlikely that they are a registered charity.

## Beware of tax advice from 'finfluencers'

The Tax Practitioners Board ('TPB') warns that the number of 'finfluencers' is on the rise. These are influencers who offer financial advice, including tax advice, on various social media platforms such as Instagram and TikTok.

Unfortunately, they do not always have the necessary qualifications to give out this advice or provide all the information taxpayers need to make a fully informed decision. This can result in taxpayers suffering serious financial harm.

The main way 'finfluencers' make their money is by getting paid by companies that want to promote their financial products through the 'finfluencers' social media platform.

Therefore, taxpayers who are going to use someone to help them manage their tax affairs, should make sure they are registered with the TPB by checking the TPB Register.

Registered tax advisers are required to have professional indemnity insurance – which covers their clients if they suffer loss due to an error or omission as a result of a tax agent's services. It is unlikely that a 'finfluencer' has this cover and therefore offers a similar level of protection.



## Income Tax Rates

The personal income tax rates for Australian tax residents remains unchanged for the 2025/26 year.

The rate of compulsory employer superannuation contributions also rises to 12.00% from 01/07/2025. This is the final increase to the compulsory superannuation contribution rates which was legislated decades ago.

### Resident tax rates 2025–26

Taxable income	Tax on this income
0 – \$18,200	Nil
\$18,201 – \$45,000	16c for each \$1 over \$18,200
\$45,001 – \$135,000	\$4,288 plus 30c for each \$1 over \$45,000
\$135,001 – \$190,000	\$31,288 plus 37c for each \$1 over \$135,000
\$190,001 and over	\$51,638 plus 45c for each \$1 over \$190,000

The above rates **do not** include the Medicare levy of 2%.



Tax agent  
00169002



INSTITUTE OF  
PUBLIC  
ACCOUNTANTS\*



**Optio  
Accountants**

8/53 Monash Road  
Tarragindi QLD 4121

PO BOX 360  
Holland Park QLD 4121

Phone: 07 3221 2000  
Email:  
[client@optioacc.com.au](mailto:client@optioacc.com.au)  
Web:  
[www.optioacc.com.au](http://www.optioacc.com.au)

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