

Home office utility expenses

When working in a home office, in agreement with the employee, the employer can reimburse the costs related to the use of the employee's home for work, such as electricity, communication services, water, etc. Incurring such expenses is not treated as covering the employee's housing expenses and as a fringe benefit, but the proportion of reimbursed expenses must be justified by the employer and the expenses incurred must be documented. Therefore, it is necessary to agree in advance between the employer and the employee, how much of the home expenses are related to home office. Since the expenses related to work are exempt from tax, all expenses must be reviewed by type on the invoice of utility expenses and assessed which expenses and to what extent are related to the performance of work.

For example, internet costs can be reimbursed exempt from tax only in the part of work use, while the amount of apartment association's repair loan stated on the utility invoice cannot be reimbursed exempt from tax to an employee.

When using home as an office, sole proprietor's utility expenses can also be included in the expenses related to the use of home for work. The proportion of costs must be justified and documented. On the invoice of utility expenses, all costs must be reviewed and evaluated by type, and the corresponding proportions must be calculated.

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