VAT on home office expenses

A company registered as person liable to value added tax (VAT) can deduct input VAT on goods and services if the invoice is addressed to the company and has the company's name on it. If an employee working in home office pays for expenses and the employer reimburses these expenses by agreement, VAT on the expense documents cannot be deducted and the expenses are reimbursed to the employee together with VAT.

If the employer has acquired such assets, which are accounted for as fixed assets in the accounting, and the assets are not returned to the employer after the end of working in home office, the free use or transfer of property must be taxed as self-supply (**clause 2 of subsection 1 of § 4 of the Value-Added Tax Act**). If, upon going back to work to the company's office, all the assets acquired by the employer, which were used in home office, are returned to the employer, then the usual calculation of input VAT deducted from fixed assets continues.

If the employer has decided to sign some of the contracts necessary for home office work in its own name, for example an internet service contract, then the employer is entitled to deduct input VAT and the part used by the employee for personal use is taxed as self-supply.

If the employer makes expenses related to a specific immovable property in the employee's home office, for example, repairing rooms, permanently fixed lighting, heaters, etc., then there is no right to deduct input VAT from these expenses.

At the employee's request, these costs can be resold to them with VAT – then the input VAT can also be deducted. If a sole proprietor registered as a person liable to VAT acquires goods and services for home office, then input VAT can be deducted according to the proportion of their use in business.

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