

[COVID-19] Home Office Income Tax and Expense Considerations

During the COVID-19 pandemic all non-essential faculty and staff at Western have been working from home. As a result, we have been receiving questions about the use of individual home space as a principal place of work and potential expense claims.

Personal Expense Reimbursement (PER)

During the For the period of time in which you are required to work from home as a result of the COVID-19 pandemic, your home internet and your primary telephone are allowable expenses under your Professional Expense Reimbursement Allowance. Some of you already use your PER for home internet used for work-related purposes. These expenses may be submitted [online](#) for reimbursement.

Home offices expense income tax deduction

For those expenses that are not reimbursed as a professional expense, there are tax rules to allow you to claim a deduction for certain home office expenses on your 2020 personal income tax return. These deductions are allowed, but only where you meet at least one of the following two conditions:

1. Your home is your principal place of work (meaning you are required to spend more than half of your time working from home); or
2. You use a particular room (or rooms) exclusively for earning employment income and you meet customer or others there on a regular and continuous basis for work.

You likely meet the first condition if you are working from home due to COVID-19. For most of our faculty, meeting the second condition may be unlikely.

In early 2021, Western is willing to sign the Form [T2200](#), and to certify in question No. 10 of the form that you were required to work from home more than half the time during a specific period in the year. You would claim your expenses when you file your 2020 personal tax return.

The onus would be on you, the employee, to make sure you prorate your expenses so that you're only deducting expenses that relate to that period of time. Your home is required to be the place where you "principally" perform your job duties. CRA has said that "principally" does not mean you must use that space in your home exclusively for work. Your children or partner can also use the space to complete homework, for example. But you'll need to prorate your expenses based on space (the percentage of your home used for work) and time (the percentage of time you used the space for work).

To date, CRA has taken the position that the requirement to meet customers or others in your home for work does not include meetings by video or teleconferencing. However, it is expected that the department will announce an intention to view meetings by video or phone as acceptable given the COVID-19 social distancing requirements.

Western employees will not be working from home for the full year in 2020, therefore when submitting your 2020 income tax return your home office deductions are limited to the amount of employment income earned for the period during which you work at home. Please note that expenses which you have been reimbursed for under PER, cannot be claimed a second time. If you do so and are audited, you will be responsible to pay back any taxes owed or penalty flowing from any such misrepresentations.