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Tax Alert – Canada

Home office expenses for 2024 – Update

EY Tax Alerts cover significant tax news, developments and changes in legislation that affect Canadian businesses. They act as technical summaries to keep you on top of the latest tax issues. For more information, please contact your EY advisor or EY Law advisor.

On 15 December 2024, the Canada Revenue Agency (CRA) published Guide T4044, *Employment Expenses 2024*, which provides details on the process for claiming home office expenses for the 2024 taxation year. On the same day, the CRA also released the Form T2200, *Declaration of Conditions of Employment*, for the 2024 taxation year to certain stakeholders.

For the most part, the process for 2024 is unchanged. There have been changes to Form T2200 that should make the form easier for employers to complete.

In this Tax Alert, we provide a brief overview of the guidance provided to date with respect to claiming home office expenses for 2024.

Background

The *Income Tax Act* provides that employees are only able to claim certain deductions against employment income, including home office expenses, if they receive a form from their employer confirming that the conditions for the deduction have been satisfied. Form T2200 has traditionally served this purpose.

In December 2023 and February 2024, the CRA provided the following details on the process for claiming home office expenses for the 2023 taxation year:

- ▶ **Temporary flat rate method** – This option was not available for the 2023 taxation year. This method, which generally provided a deduction of \$2 per day for each day worked from home due to the COVID-19 pandemic, was only available for the 2020, 2021 and 2022 taxation years. Therefore, employees were required to use the detailed method and obtain a completed Form T2200, reviewed and signed by their employer, to claim home office expenses for 2023.
- ▶ **Eligible employees** – Employees who worked from home in 2023 were generally eligible to deduct home office expenses that were directly related to their work if they were required to work from home and worked from home more than 50% of the time for a period of at least four consecutive weeks in the year. This requirement to work from home does not have to be part of the employee's employment contract and may be a written or verbal agreement. As explained below, these conditions remain unchanged for 2024.
- ▶ **Employer signature** – For 2023 and later years, employers are not required to provide a handwritten signature on Form T2200; the CRA will accept an electronic signature on this form.¹

For more information on the process for claiming home office expenses for the 2023 taxation year, see EY Tax Alert 2024 Issue No. 1, [CRA provides guidance on home office expenses for 2023](#), and EY Tax Alert 2024 Issue No. 5, [CRA provides additional guidance on home office expenses for 2023](#).

What's new for 2024?

To date, the CRA provided the following details on the process for claiming home office expenses for the 2024 taxation year:

- ▶ **Percentage of employment duties performed at home office** – If the employee was required to work from home, the Form T2200 for 2024 requires the employer to answer “yes” or “no” to the following two questions:
 - ▶ “Has the employee worked more than 50% of the time from the work space in their home for a period of at least 4 consecutive weeks in the year?”; and
 - ▶ “Has the employee used the work space in their home regularly and continuously for in-person meetings with clients or other people while doing their work?”

¹ This change is the result of an amendment to the *Income Tax Act* implemented by Bill C-47, *Budget Implementation Act, 2023, No. 1*.

If the answer to either question is “yes” and the other conditions for the deduction are satisfied, the employee can claim home office expenses for 2024. This is a welcome change from the Form T2200 for 2023, which required the employer to approximate the percentage of the employee’s duties of employment that were performed from their home office. This change relieves the need for employers to closely monitor where the employee worked over an extended period of time in order to accurately complete Form T2200.

- ▶ **Eligible employees** – Consistent with the Form T2200 for 2023, the Form T2200 for 2024 specifies that the condition that the employee must be “required” to work from home does not have to be part of the employee’s employment contract and may be a written or verbal agreement.
- ▶ **Administrative efficiency** – Consistent with the Form T2200 for 2023, the Form T2200 for 2024 was designed to be easier for employers to complete where the employee is only seeking to claim a deduction for home office expenses. After completing the questions regarding home office expenses, the employer can skip to the “employer declaration” section.

Upcoming webcast

On Friday, 24 January 2025, EY will be hosting a webcast to discuss the CRA’s recent updates on Form T2200 and home office expenses, and how these changes may affect your business. This webcast will be available in both English and French.

[Register here](#)

Learn more

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