

54,800 customers claim tax relief for working from home

HM Revenue and Customs (HMRC) has received more than 54,800 claims from customers using a new online portal which allows workers to claim tax relief for working at home.

Launched on 1 October 2020, the online portal is simple to use and has been set up to process tax relief on additional expenses for employed workers who have been told to work from home by their employer to help stop the spread of coronavirus (COVID-19).

From 6 April 2020, employers have been able to pay employees up to £6 a week tax-free to cover additional costs if they have had to work from home. Employees who have not received the working from home expenses payment direct from their employer can apply to receive the tax relief from HMRC.

Eligible taxpayers can claim tax relief based on the rate at which they pay tax. For example, if an employed worker pays the 20% basic rate of tax and claims tax relief on £6 a week, they would receive £1.20 a week in tax relief (20% of £6 a week) towards the cost of their household bills.

Higher rate taxpayers would therefore receive £2.40 a week (40% of £6 a week). Over the course of the year, this could mean taxpayers can reduce the tax they pay by £62.40 or £124.80 respectively.

HMRC's Interim Director General of Customer Services, Karl Khan, said:

We want everyone to get the money that they are entitled to, so we've made the online service as easy to use as we can – it takes just a few minutes to make a claim.

Once the application has been approved, the online portal will adjust an individual's tax code for the 2020 to 2021 tax year. The employee will receive the tax relief directly through their salary and will continue to receive the adjustment until March 2021.

HMRC is also reminding employed workers, for example healthcare workers and care home staff, that they can also claim tax relief on work-related expenses, including cleaning their work uniforms.

The extra money can help thousands of critical workers whose efforts are helping save lives during the coronavirus pandemic.

Employees who clean, replace or repair uniform or tools, or pay fees and subscriptions for their work can apply online directly to HMRC and see instantly if they are eligible for tax relief on work expenses.

In 2018 to 2019, more than 500,000 customers (66% of total expense claims) applied for the tax relief using an agent rather than directly from HMRC and will have had to pay fees or commission. But those who are paid through Pay As You Earn (PAYE) can claim directly to HMRC and keep all of the money which they are entitled to.

Agents will not be able to use the new service to apply for the relief on a customer's behalf. This means customers will receive 100% of the tax relief that is due.

54,800 claims were submitted through the new portal between 1 and 11 October 2020.

Find out more about [claiming tax relief on work related expenses](#).

Access the [online portal for working from home expenses](#).

Employees do not need to provide evidence to show their bills have increased unless they are applying for tax relief on costs above the £6 per week flat rate, in which evidence of the increased costs may be required.

Employees will receive the tax relief that corresponds with the Income Tax rate that they pay. For example, it will differ in Scotland.

Employees may be able to claim tax relief on the cost of:

- expenses for working from home
- repairing or replacing small tools needed to do their job (for example, scissors or an electric drill)
- cleaning, repairing or replacing specialist clothing (for example, a branded uniform or safety boots)
- business mileage (not commuting)
- travel and overnight expenses
- professional fees and subscriptions

Employees can [check if they are eligible for tax relief on their expenses and claim online](#).

The majority of tax relief claims are for repairing or replacing tools and branded uniforms, professional subscriptions and business mileage. Healthcare workers, people working in the food and retail sector and those in the construction industry are most likely to make a claim.

Employees could alternatively receive the tax relief as a lump sum payment if they wait and apply once the 2020 to 2021 tax year has ended.