



### Boarding income

Include your total boarding income for the income year (most commonly 1 April - 31 March) in box A: Total \$  .  **A**

### DEDUCTIONS

Add each boarder and the number of weeks they lived with you. Multiply the number of weeks by the “weekly standard-cost” amount for the income year.

#### Weekly standard-cost deductions<sup>1</sup>

For each boarder you had during the income year, fill in the number of weeks they boarded with you. Multiply that by the “weekly standard-cost” amount for the income year (check Inland Revenue’s website for this).

Boarder 1: Name  number of weeks  times \$245 equals

Boarder 2: Name  number of weeks  times \$245 equals

Boarder 3: Name  number of weeks  times \$245 equals

Boarder 4: Name  number of weeks  times \$245 equals

Total weekly standard-costs Total \$  .  **B**

If the weekly standard-cost deduction amount in **box B** is more than or equal to **box A**, you don’t need to do anything else. The income isn’t taxable.

If the weekly standard-cost deduction amount in **box B** is less than **box A** — **continue to Annual housing standard-cost deduction.**

<sup>1</sup> The “weekly standard-cost” is an amount set by Inland Revenue and Consumer Price Index (CPI) adjusted each year. It represents the direct day-to-day expenses involved in having boarders (eg, food, utility bills, use of furniture, entertainment).

For the 2025-2026 income year, the “weekly standard-cost” has been set at \$245 per boarder per week, subject to CPI adjustment. At the start of each year tax year, we will publish the updated “weekly standard-cost” amount for the previous income year on our website.

### Annual housing standard-cost deduction

The “annual housing standard-cost” reflects the cost of using your home to earn boarding income which includes costs such as home loan interest or rent, insurance and rates.

#### Accommodation – Own Home

Purchase Price

\$  → Multiply by 0.04 = \$  .  ↓

Minus

Annual WINZ A/Sup (  )

Sub Total \$  .  ↓

Multiply by (  ) %

Sub Total \$  .  ↓

Multiply by (  ) Weeks

Sub Total \$  .

To work this percentage out divide the number of boarders by the total household occupants and times by 100. (refer to examples)

Divide number of weeks board provided during the year by 52. (refer to examples)

Annual housing standard-costs Equals \$  .  **C**

## Accommodation – Rental Home

Yearly Rent = \$  ↓

Minus

Annual WINZ A/Sup  ↓

Equals

Sub Total \$  ↓

Multiple by (  )%

Sub Total \$  ↓

Multiply by (  ) Weeks

Sub Total \$

To work this out divide the number of boarders by the total household occupants and times by 100. (refer to examples)

Divide number of weeks board provided during the year by 52. (refer to examples)

Equals \$  C

Annual housing standard-cost

### Subtotal

Copy the amounts from box B and box C above, and add them together:

Total weekly standard-costs \$

Plus

Annual housing standard-costs \$

Equals

Sub Total \$  D

If the weekly standard-cost deduction in **box D** is more than or equal to **box A**, you don't need to do anything else. The income isn't taxable. If your **Subtotal** is less than the amount in **box A** — **continue to Annual transportation standard-costs**.

### Annual transportation standard-cost deduction

If you **don't** use your motor vehicle to provide transport to your boarder — any income in **box A** over the amount in **subtotal box D** is taxable. You need to include it in your annual tax return.

If you do use your motor vehicle to provide transport to your boarder — **Continue to Annual transport standard-costs**.

Your "Annual transport standard-costs" reflect the cost of using your vehicle to earn boarding income such as, fuel, insurance, and registration. To work out the annual transport standard costs use the examples and instructions below.

Annual transport standard-costs \$  E

## FULL CALCULATION

### Total standard-cost deductions

Total boarding income received Total \$  A

**Copy the amounts from box B, box C, and E if applicable, and add them together:**

Weekly standard-costs Total \$  B

Plus

Annual housing standard-costs \$  C

Equals

Sub Total \$

Plus

Annual transport standard-costs \$  E

Equals

Total Costs \$

If you use the standard-costs and the costs are more than your boarding income in box A, you won't have to file a tax return unless there is another reason that the return is required.

If the standard-costs are less than the boarding income in box A, you are required to file a return and include the amount over the total standard costs.

If you are not required to file an income tax return but want to, you can not offset this loss against any other income in this year or any future year (the boarding income needs to be declared as nil).

## EXAMPLES TO HELP WITH YOUR CALCULATIONS

### Examples of calculating annual housing costs

The following examples explain the annual housing costs calculation in straightforward situations. There are examples showing more complex situations in Appendix C of the Commentary in the **Determination 19/01** found on our tax technical website.

#### Example 1: Hosts own their home

Norma and Frank own their home. They bought it for \$480,000. They have one boarder for the whole year. Norma, Frank and the boarder are the only people who live in the house. Norma and Frank don't receive any accommodation supplement.

The formula is:  $(a - b) \times c \times d$

**a = \$19,200** (0.04 or 4% of the cost of the home – ie, 4% of \$480,000)

**b = 0** (because Norma and Frank don't receive any accommodation supplement)

**c = 33.33%** (because 1/3 of the occupants of the home (33.33%) are boarders, to work out the percentage divide the number of boarders by number of household occupants' then times by 100.  $(1 \div 3 = 0.3333 \times 100 = 33.33\%)$ )

**d = 1** (the number of weeks the boarder is there (52) divided by 52 weeks in the year = 1)

Norma and Frank's annual housing cost = **\$6,399.36**

$(\$19,200 - 0) \times 33.33\% \times 1 = \$6,399.36$

#### Example 2: Host rents their home

Harry rents his home for \$350 per week. He has one boarder for 48 weeks of the year. Harry and the boarder are the only people who live in the house. Harry doesn't receive any accommodation supplement.

The formula is:  $(a - b) \times c \times d$

**a = \$18,200** (the total rent Harry paid for the year)

**b = 0** (because Harry doesn't receive any accommodation supplement)

**c = 50%** (because 1/2 of the occupants of the home (50%) are boarders, to work out the percentage divide the number of boarders by number of household occupants' then times by 100.  $(1 \div 2 = 0.5 \times 100 = 50\%)$ )

**d = 0.92** (the number of weeks the boarder is there (48) divided by 52 weeks in the year)

Harry's annual housing cost = **\$8,372**

$(\$18,200 - 0) \times 50\% \times 0.92 = \$8,372$

### Examples of calculating annual transport costs

The following example explains the annual transport costs calculation in a straightforward situation. If the vehicle travels more than 14,000 km in the year, there is a lower Commissioner's tier 2 kilometre rate for any kilometres over 14,000 km.

#### Example of annual transport costs calculation

Jacqui has a teenage boarder. Part of the boarding agreement is that Jacqui will provide transport to the boarder when required. Jacqui drives the boarder to their sports and other activities. Jacqui keeps a logbook of these and any other trips she makes where the dominant purpose of the trip was to transport the boarder. The total kilometres travelled on all the eligible trips for the year was 2,000. Jacqui's car travels less than 14,000 kilometres during the year.

The formula is: **kilometre rate**  $\times$  **kilometres travelled**

The Commissioner of Inland Revenue sets the motor vehicle tiers 1 and 2 kilometre rates each year.

The tier 1 rates for the first 14,000 kilometres are \$1.20 for petrol, \$1.30 for diesel, .90c for petrol hybrid, \$1.22 for electric. The tier 2 rates for any kilometres over 14,000 are 37 cents for petrol, 38 cents for diesel, 24 cents for petrol hybrid and 23 cents for electric.

**Kilometres travelled = 2,000** (the total kilometres travelled where the main purpose of the trip related to providing the boarding service)

Jacqui's annual transport cost for her petrol vehicle = **\$2,400**

$2,000 \times 1.20 = \$2,400$

You can choose to use the Commissioner's kilometre rates or claim actual vehicle costs if you have records to support the calculation. If you choose to use actual costs and do not maintain a logbook to record your vehicle usage; you will be restricted to 25% running costs or less if you cannot show actual vehicle usage.

You can find more information about using your personal vehicle for business purposes at [ird.govt.nz/vehicle-expenses](http://ird.govt.nz/vehicle-expenses)