DEMETER
ACCOUNTING & ADVISORY

EV HOME CHARGING

A practical tax and FBT guide for brokers

ATO SAFE-HARBOUR RATE 4.20 cents per relevant kilometre for eligible home charging of fully electric vehicles.

What is the ATO guidance?

PCG 2024/2 – Electric vehicle home charging rate provides a practical way to estimate residential electricity used to charge an EV when the charging cost cannot be separately identified from the household electricity bill.

Important: PCG 2024/2 is a Practical Compliance Guideline, not a binding public ruling. It explains when the ATO will accept the simplified methodology without requiring the taxpayer to isolate the vehicle's actual electricity consumption.

At a glance

Scenario	Available treatment	Key broker message
1. Employer-provided EV	Employer may use 4.20¢/km to estimate employee home-charging costs for reimbursement and relevant FBT calculations.	Check the underlying car benefit, EV exemption eligibility, RFBA reporting and whether a home charger was also provided.
2. Employee's private EV	Use either the ordinary car cents/km method, or logbook/actual costs with PCG 2024/2 for electricity.	The ordinary car cents/km rate already includes electricity—no extra 4.20¢ claim.
3. Self-employed/business EV	Sole trader may use the ordinary car cents/km method or logbook/actual costs. PCG can estimate electricity under actual costs.	Entity type, vehicle definition, private use and substantiation determine the result.

1 Employer provides the EV

- Where an employee charges an employer-provided EV at home, the employer can estimate the electricity as relevant kilometres × 4.20¢.
- A reimbursement of charging electricity is generally a car-expense benefit. Electricity is treated as fuel for FBT purposes.
- Where provided in connection with a car benefit, the associated electricity benefit may be exempt from FBT—even where the underlying EV car benefit is not exempt.
- If the EV car exemption applies, the employer must still calculate the notional taxable value for reportable fringe benefits purposes, unless an exclusion applies.
- Employee-paid electricity may also be relevant as a recipient contribution where the statutory requirements and evidence are satisfied.

CHARGER WARNING Purchasing or reimbursing a home charging station and installation is not a car expense. It generally creates a separate property or expense-payment fringe benefit.

2 Employee's private EV used for work

Option A — ordinary cents-per-kilometre car method

- Use the general ATO car rate applicable to the income year, subject to the normal annual kilometre limit.
- That rate already covers electricity and all other car running costs. Do not add a separate 4.20¢ home-charging amount.
- Ordinary home-to-work travel remains private unless a recognised exception applies.

Option B — logbook/actual-cost method

- Estimate total eligible home-charging electricity using PCG 2024/2.
- Combine it with other eligible vehicle costs, then apply the properly supported work-use percentage.

EXAMPLE 18,000 total km × 4.20¢ = $756 estimated home electricity. At 35% work use, the electricity component is $264.60, before considering other vehicle expenses.

3 Self-employed person or business vehicle

- A sole trader with an EV that meets the tax definition of a car may generally choose the ordinary cents/km method or the logbook/actual-cost method.
- Under actual costs, apply the business-use percentage to the PCG electricity amount. A properly supported 100% business-use vehicle may allow the full eligible amount.
- For a company or trust, the entity claims its vehicle expenses. Private availability or use by an employee/director must be reviewed under the FBT rules.
- Different rules can apply where the vehicle is not a 'car' for tax purposes—for example, certain vehicles designed to carry at least one tonne.

Calculation and records

Calculation	Minimum evidence
Fully electric vehicle	Opening and closing odometer readings for the relevant FBT or income year.
Relevant kilometres × $0.042	At least one residential electricity bill showing an electricity expense was incurred.
Then apply any required business-use percentage	Evidence that the vehicle can be and was charged at the residence.
Avoid double counting commercial charging	Valid logbook where the logbook or operating-cost method is used; commercial charging invoices and reliable home-charging percentages where relevant.

Commercial charging, solar and PHEVs

- Commercial charging costs cannot be double counted. Separate commercial charging may be recognised where reliable vehicle data identifies the home-charging proportion; otherwise choose a defensible, consistent approach under the PCG.
- The taxpayer must incur an electricity expense. Purely solar charging with no relevant electricity cost requires careful review; the safe-harbour conditions should not be assumed to be satisfied.

- PCG 2024/2 also covers plug-in hybrid electric vehicles from the applicable 2025 FBT/income years, using a multi-step method to separate petrol and electric kilometres. The 4.20¢ rate is applied to the calculated electric kilometres—not automatically to all kilometres.
- The general FBT exemption for newly provided PHEVs ended from 1 April 2025, subject to limited transitional arrangements for qualifying pre-existing financially binding commitments.

Broker review checklist

- Who owns or holds the vehicle: employee, employer, sole trader, company or trust?
- Is it a battery EV, PHEV, or a vehicle outside the tax definition of a car?
- Was the vehicle available for private use, and does the EV car FBT exemption apply?
- Is the client using the general car cents/km method or actual/logbook costs?
- Are odometer, electricity bill, charging, logbook and commercial charging records retained?
- Was a home charging station supplied or reimbursed separately?
- Has any reimbursement, recipient contribution, deduction or commercial charging cost been counted twice?

ATO references

PCG 2024/2 – Electric vehicle home charging rate
https://www.ato.gov.au/law/view/print?DocID=COG%2FPCG20242%2FNAT%2FATO%2F00001

ATO – Electric vehicles and fringe benefits tax
https://www.ato.gov.au/law/view/print?DocID=AFS%2FEV-FBT%2F00001

Scope boundary

This fact sheet provides general accounting and tax information about EV home-charging costs. It does not replace advice based on the client's ownership structure, vehicle, usage, records, income year or FBT circumstances. Eligibility and treatment should be confirmed before any claim, reimbursement or FBT position is implemented.

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