

Deductions for Business Use of Your Home

The following rules must be met in order to deduct expenses related to business use of your home.

1. You must have a separate room which is used solely for the business and contains no personal belongings.
2. The office must be used on a “regular” basis.
3. The office must be either the “principal” place where your business is conducted, or a place where your clients or customers regularly come. Your home will qualify as your principal place of business if it is used regularly and exclusively for administrative or management activities of your business *and* you have no other fixed location where you conduct substantial administrative or management activities of your trade or business.
4. **The business must show a profit.**

There are some exceptions to the above rules for taxpayers who store merchandise inventory or samples.

Please fill out this form if you feel you qualify for the home office deduction.

1. Total finished square feet in home _____
2. Square feet in office _____
3. Number of months of qualified use _____
4. Rent Per Month _____
5. Mortgage Interest for year _____
6. Real Estate Tax _____
7. Homeowners or Renters Insurance _____
8. Repairs & maintenance _____
9. Gas _____
10. Electricity _____
11. Water (if used for business) _____
12. Trash (if used for business) _____
13. Cable (if used for business) _____
14. **Daycare only:** No. of hours used for daycare _____
15. Original cost of home _____
16. Cost of remodeling and major repairs to home _____
17. Value of the lot _____
18. Date you began using house for business _____