

Home Office Deduction Worksheet

To deduct expenses for the business use of your home:

- It must be your principal place of business for your trade or business
- The area you use is used **exclusively** and **regularly** and for no other purpose than your business
- You have no other fixed location where you conduct substantial administrative activities. (In other words, you cannot claim a home office deduction if you occasionally work from home, but otherwise have an office at your employer’s place of business.)

There are two ways to claim the Home Office Deduction, either by a percentage of actual expenses or by the IRS accepted “Safe Harbor” method.

Safe Harbor Method: _____ X \$5.00 per square foot
Square Feet

Maximum Deduction Allowed \$1,500.00

Actual Expenses Method:

Total Area of Home (in square feet) _____

Area of home used exclusively as Home Office (in square feet) _____

Direct Expenses: (benefits **Only** the Home Office)

Repairs & Painting _____

Casualty Losses _____

Other _____

Indirect Expenses: (benefits the entire home/apartment)

Repairs, Supplies, Painting, Maintenance _____

Casualty Losses _____

Gas and Electricity _____

Water and Sewage _____

Garbage/ Yard/Lawn _____

Security System and Upkeep _____

Insurance _____



Cleaning _____

Rent _____

H O A Dues _____

Other _____

Other _____

Note: If you rent please furnish the total square footage of your apartment/house _____

And the square feet used exclusively and regularly for business _____

If you own your home please furnish the following:

Cost of home (including land) _____

Settlement costs to purchase home _____

Value of the land (as a percentage of the cost of the home) _____

Improvements to home _____

Total square footage of your Condo/House _____

The square feet used exclusively and regularly for business _____

If you have financed your condo/home please attach a copy of your Mortgage Institutions Form 1098 so that we can compute deduction for mortgage interest, real estate taxes, etc.

***Note -**

If you choose the "Actual Expense Method" and own your own home you will have depreciation in addition to all the expenses listed above. However, if in any future year you sell your house all *allowed* or *allowable* depreciation deducted in prior years must be recaptured as income.

If you choose the "Safe Harbor Method" you are not required to recapture depreciation.

