

# 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.

