

Home Office Deduction Worksheet

To deduct expenses for the business use of your home, you must determine that it is your principal place of business for that trade or business, based on all of the facts and circumstances. The IRS has eased its position on the factors that determine whether or not a taxpayer qualifies for a home office deduction. The pros and cons should be addressed before deciding on whether or not to take a home office deduction.

If you qualify and are taking the home office deduction, please complete this worksheet so that we can calculate the correct amount of your home office deduction.

BASIS OF HOME OFFICE (Note: If you rent please start at (F) below.)

(A) Cost of whole home, including land (see note below): _____

(B) Settlement costs to purchase home (see note below): _____

Note: Instead of filling in the above amounts, we suggest that you simply supply us with the settlement sheet when you bought the house. Also, if you deferred gain from the sale of another home when you bought this home, we will need IRS Form 2119 - Sale of Your Home - concerning the deferral of gain.

(C) The value of the land, expressed as a percentage of the cost of the whole home: _____

Note: We will use 10% unless otherwise indicated.

(D) Improvements to your whole home: _____

Note: Improvements add to the value or life of the property. See our worksheet "Improvements To Your Home."

(E) Improvements to just the home office(s): _____

(F) Percentage of home/apartment used for business: _____

Note: You may use either of the two methods below. We suggest, of course, you use the method that results in the highest percentage.

1. Number of rooms used for home office(s): _____
Number of rooms in entire home/apartment (exclude
bathrooms, garages, closets and attics): _____
2. Number of square feet of space in home office(s): _____
Number of square feet of *living* space in
entire home/apartment (exclude bathrooms, garages,
closets, hallways and attics): _____

EXPENSES OF MAINTAINING YOUR HOME/APARTMENT

(G) Direct Expenses (these benefit **only** the home office)

- Repairs & Painting: _____
Insurance: _____
Other (Please List): _____

(H) Indirect Expenses (these benefit the entire home/apartment)

- Gas & Electricity: _____
Water & Sewage: _____
Repairs, Supplies, Painting: _____
Labor (not your own labor): _____
Insurance: _____
Garbage/ Cleaning Services: _____
Lawn/Yard/Snow Service: _____
Condo Maintenance Fee: _____
Security System Upkeep: _____
Rent: _____
Other (Please List): _____