

Office in Home Worksheet

Taxpayer Name: _____ Tax Year: _____

Phone: _____ Email: _____

PART I: AREA USED FOR BUSINESS

1. Area of home used for business _____ sq. ft.
1. Total living area of home _____ sq. ft.
3. Business use percent (divide line 1 by line 2) _____ %

STANDARD RATE: Beginning in 2013, the IRS will allow us to use a standard deduction of \$5.00 per square foot for a home office. If you wish to use the standard rate please complete Part I and do not fill out Part II. I wish to use the standard rate _____ *check here*

PART II: EXPENSES

4. Real estate taxes on home \$ _____
5. Mortgage interest on home \$ _____
6. Rent if you do not own \$ _____
7. Utilities (electric, gas, water, sewer, trash) \$ _____
8. Homeowners insurance \$ _____
9. PMI mortgage insurance \$ _____
9. Repairs to exterior of home \$ _____
10. Repairs to business portion only \$ _____
11. Homeowners or condo association fees \$ _____
12. Lawncare \$ _____
13. Other (_____) \$ _____
14. Other (_____) \$ _____

PART III: DEPRECIATION

- | | | Date |
|---|----------|-------|
| 15. Original cost of home plus major improvements | \$ _____ | _____ |
| 16. Improvements this year to overall house: | | |
| Describe: _____ | \$ _____ | _____ |
| Describe: _____ | \$ _____ | _____ |
| 17. Improvements this year to business area only: | | |
| Describe: _____ | \$ _____ | _____ |
| Describe: _____ | \$ _____ | _____ |

Please Read Instructions on Page 2

Office in Home Rules

The IRS rules on the Office in Home deductions are still very strict and must be fully complied with. Please read the following to determine whether you are eligible for this deduction. If you meet the following requirements, then complete the worksheet on the reverse side and send it to us with your other tax information. If you have any questions, please feel free to call.

Requirements For Office In The Home Deduction

- 1 The office must be used as the principal place of business. This means that if you have more than one office it is very unlikely that the home office will be considered the principal place of business and the deduction will not be allowed..
2. The office must be used in the trade or business on a regular basis. Intermittent use of the home office for business purposes does not qualify.
3. The area used as a home office must be used exclusively for the business. The IRS regulations make it clear that this requires “no use of that portion of the unit at any time during the taxable year other than for business purposes”.

You must meet all three of the above requirements to be eligible for the Office in Home deduction.

In a recent court case the IRS took the position that an Office in the Home did not meet the requirements of principal place and regular use where the self employed person performed most of his job while out of the office. The courts are split as to whether this standard is to be applied. Therefore, if your business requires you to spend more than 50% of your time outside of the office (i.e. traveling salespeople) please call our office for a consultation.

Child Care In The Home:

Child care services in your home allow for a larger deduction. Please answer the following:

Hours per week that you provide daycare services: _____

Average number of children per week: _____

Standard Office in Home Deduction:

Beginning in 2013, the IRS will allow us to use a standard deduction of \$5.00 per square foot. If you wish to use the standard rate please indicate on page one and do not fill out Part II.