

Home Office Deduction

Internal Revenue Service: Publication 587 Business Use of Your Home.

The term "home" includes a house, apartment, condominium, mobile home, boat, or similar property which provides basic living accommodations. It also includes structures on the property, such as an unattached garage, studio, barn, or greenhouse. To qualify under the exclusive use test, you must use a specific area of your home only for your trade or business. The area used for business can be a room or other separately identifiable space. To qualify under the trade-or-business-use test, you must use part of your home in connection with a trade or business. If you use your home for a profit-seeking activity that is not a trade or business, you cannot take a deduction for its business use. <https://www.irs.gov/pub/irs-prior/p587--2017.pdf>

To figure your expenses use the table below:

- Part 1:(in sq ft.) 1. Area of home used for work/business..... _____
- 2. Total Area of home..... _____
- 3. Percentage used for business(Divide 1 by 2)..... _____

Part 2: (Allowable Deductions)

- 1. Mortgage Interest..... _____
- 2. Real Estate Taxes..... _____
- 3. Insurance..... _____
- 4. Rent..... _____
- 5. Repairs..... _____
- 6. Utilities..... _____
- 7. Other expenses..... _____

Part 3: Depreciation of Home

- 1. Land..... _____
- 2. Building..... _____
- TOTAL..... \$ _____