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## **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):

\_\_\_\_\_