



Contact:

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Q. What are the requirements to claim a home office deduction?

- A. 1. You must regularly use part of your home exclusively for conducting business.
2. You must show that you use your home as your principal place of business. If you conduct business at a location outside of your home, but also use your home substantially and regularly to conduct business, you may qualify for a home office deduction.

Q. What types of home office expenses can I deduct?

- A.
1. Home owners or renter's insurance
 2. Homeowner association fees
 3. Rent
 4. Repairs and maintenance made to your entire home
 5. Security system
 6. house cleaning
 7. Utilities (i.e. Gas, electric and trash)
 8. Mortgage interest and property taxes.

Q. How can I determine how much expenses to deduct?

- A. You will need to figure out the percentage of your home devoted to your business activities, utilities, repairs, and depreciation. Another option would be to use the simplified which allows a standard deduction of \$5 per square foot of home used for business (maximum 300 square feet).

Q. How do I claim the home office deduction?

A. You would complete IRS Form 8829 “Expenses for Business Use of your Home”

Q. Are there limitations to claiming the home office deduction?

A. You must have a positive net income to claim the deduction. If your business’s net income is negative, you can’t claim the home office deduction to increase your loss. Secondly, you can only take the home office deduction up to your total net business income, you can’t use the home office deduction to create a loss in your business.