



# MacFarlane and Associates, P.C.

## Certified Public Accountants

### Home Office Deduction for Businesses

Requirements:

- Must be exclusive use of a portion of the home for conducting business on a regular basis
- Home must be the taxpayer's principal place of business. Note the home can be used for administrative purposes if there is no other location to perform these duties
- Regular use as a storage area for products or samples you sell in your business

Select method

1. Simplified - \$5 per square foot (maximum of 300 square foot)

\_\_\_\_\_ Square footage of home used regularly and exclusively for business

2. Regular method - Deductions are based on percentage of the home square footage

Actual home expenses can be deducted,

Required information:

\_\_\_\_\_ Square Footage of Home

\_\_\_\_\_ Area of home used regularly and exclusively for business

\_\_\_\_\_ Mortgage Interest

\_\_\_\_\_ Real estate taxes

\_\_\_\_\_ Insurance

\_\_\_\_\_ Repairs and maintenance

\_\_\_\_\_ Basis of home for depreciation expense

\_\_\_\_\_ Land Value

Corporations and partnerships need to reimburse the owners or partners for any home office expenses. This form may be used as an expense report.