

Home Office Deduction Worksheet – 2 pages

Name of Business (If Applicable) _____

Do you have a room or separately identifiable space that is used exclusively for your business? Yes No

Is this room/area the principal place of business? Yes No

Is this space used exclusively for your business? Yes No

Is this space used regularly for your business? Yes No

If you answered “Yes” to **all** the questions above, please fill out the rest of this worksheet.

What is the square footage of this room/area? _____

What is the square footage of the home? _____

Safe Harbor Method: _____ x \$5.00 per square foot = _____

Expenses for your Primary Home used as a Home Office

	<u>Direct Expenses*</u>	<u>Indirect Expenses**</u>
Total Rents Paid		_____
Total Mortgage Interest Paid		_____
Total Insurance Expense		_____
Total Real Estate Taxes		_____
Total Homeowners Association		_____
Cleaning & Maintenance	_____	_____
Repairs	_____	_____
Utilities	_____	_____
Internet	_____	_____
Telephone ***	_____	_____
Security	_____	_____
Other: _____	_____	_____

* Direct Expenses benefit the business side of your home. Example: cost of painting or repairs made to the specific area or room used for business, installation of a bookshelf, etc.

** Indirect expenses are required for keeping up and running your entire home. Examples include your utility bills, mortgage interest or rent, insurance, HOA, real estate taxes, repairs, pest control, trash removal, security, and maintenance.

*** **If you have one phone line in your home, the monthly charge for that phone line is not deductible,** but long-distance business calls from that line are considered a direct expense. If you put a second line in your house that you use regularly and exclusively for the business, you can deduct the expense for that line as a direct expense.

For Depreciation:

If you own your home please furnish the following:

Cost of home (including land) _____

Settlement costs to purchase home _____

Value of the land (as a percentage of the cost of the home) _____

Improvement costs to the home _____

Note:

If you choose the "Actual Expense Method" and own your home you will have depreciation in addition to all the expenses listed above. However, if in any future year you sell your house all allowed or allowable depreciation deducted in prior years must be recaptured as income.

If you choose the "Safe Harbor Method" you are not required to recapture depreciation.

Hope's Tax Service, LLC
22687 James Dr.
Council Bluffs, Iowa 51503

Phone: 402-659-7430
www.hopecntaxservice.com