

# Home Office Deduction

If you use a portion of your home for business purposes, you may be able to take a home office deduction whether you are self-employed or an employee. Expenses that you may be able to deduct for business use of the home may include the business portion of real estate taxes, mortgage interest, rent, utilities, insurance, depreciation, painting and repairs.

You can claim this deduction for the business use of a part of your home only if you use that part of your home regularly and exclusively:

- As your principal place of business for any trade or business
- As a place to meet or deal with your patients, clients or customers in the normal course of your trade or business

Generally, the amount you can deduct depends on the percentage of your home that you used for business. Your deduction will be limited if your gross income from your business is less than your total business expenses.

If you use a separate structure not attached to your home for an exclusive and regular part of your business, you can deduct expenses related to it.

If you are self-employed, use Form 8829 to figure your home office deduction and report those deductions on line 30 of Schedule C, Form 1040. There are special rules for qualified daycare providers and for persons storing business inventory or product samples.

If you are an employee, you have additional requirements to meet. The regular and exclusive business use must be for the convenience of your employer.

For more information see IRS Publication 587, Business Use of Your Home, available at IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676).