



BUSINESS USE OF HOME INFORMATION SHEET

Client Name: _____ Date: _____

Business This Use Applies To: _____ Tax Year: _____

Home office space must be used **regularly and exclusively** for your business in order to qualify for this deduction. Please complete one sheet for each business that you've allocated space to in your home. Your preparer will also ask you certain "due diligence" questions concerning this documentation. If you use space for the same or another business in a second home, please complete additional copies of this form and indicate the property address above.

Business Use Area (Sq. Ft.): _____ (Required)

Total Area of Home (Sq. Ft.): _____ (Required)

New optional method: you may deduct \$5/SF, up to \$1,500, in lieu of actual expenses AND fully deduct mortgage interest and property taxes on Sch. A. We will use this method if it produces a better result for you based on the information you've provided.

Day Care Providers Only

Total hours used for daycare: _____

Total hours available (if not 8,760): _____

Traditional method: In our experience, the actual expenses method – where all expenses, including depreciation, are allocated based on business v. non-business use areas – usually provides the best results. To use this method, we need details on your home expenses. These can be "indirect" or "direct" in nature:

- **Indirect expenses:** These are expenses that apply to the entire house. For example, the home's entire annual mortgage. We then allocate the expense based on the square footage of your home office. Add up each category for the period used for business only. If your home office was operated the entire year, add up the entire year's worth of expenses. If it operated only part year (say, September to December only), then add the expenses for those months only.

- **Direct expenses:** Direct expenses for business use of home are less common. They are expenses explicitly required for the home office. Examples are a Home Office Rider on your homeowner's insurance, or office utilities on separate meters.

For each item, give the total ANNUAL figures, not monthly figures. Do not allocate by square footage; we will do that for you.

	Indirect expenses	Direct expenses		Indirect expenses	Direct expenses
Mortgage interest:	\$ _____	\$ _____	Rent (if not owned)	\$ _____	\$ _____
Mortgage insurance:	\$ _____	\$ _____	Home insurance:	\$ _____	\$ _____
Property taxes:	\$ _____	\$ _____	Monitored security:	\$ _____	\$ _____
Repairs/Maintenance:	\$ _____	\$ _____	Miscellaneous:	\$ _____	\$ _____
Professional cleaning:	\$ _____	\$ _____	Condo fees:	\$ _____	\$ _____
Utilities – Add up monthly statements to arrive at a single annual figure for each utility:					
Electric:	\$ _____	\$ _____	Natural gas:	\$ _____	\$ _____
Water/Sewer:	\$ _____	\$ _____	Garbage:	\$ _____	\$ _____
Heating oil:	\$ _____	\$ _____	Security system:	\$ _____	\$ _____

DEPRECIATION

If available, please bring your HUD Closing Statement from the original purchase of the home. "Remodeling" means expenses to substantially alter the property, such as a full kitchen remodel, new roof, or the addition of a room or wing. Maintenance, such as painting, cleaning, normal landscaping, etc., do not qualify.

Date home was purchased: _____ Date home first used for business: _____

Price paid for home: \$ _____ Subsequent Remodeling Investments: \$ _____

Total depreciation claimed in prior tax returns: \$ _____