

Home Office:

Test: Exclusive use test, specific part of the house is used regularly and exclusively for business purposes. There is no requirement that the business portion of a room be separated or partitioned. But any personal use of the space dedicated to business means the exclusive test is failed.

Space must be used as the principal place of business.

As a place to meet with clients in normal course of business

Business use percentate of the home: is determined by any reasonable method. Generally the the percentage floor space used for business to the total floor space of the home.

Total Square Footage:

Square Footage committed to business use:

You are allowed to depreciate that portion of your home that is being exclusively being used for business purposes over 39 years.

Cost basis of Home less FMV of land, ie what did you pay for your home and when?

Adjusted basis of home, add home improvements to the total price for home, deduct losses.

Date office is placed in service:

Indirect Expenses

Home mortgage interest paid:

Utilities:

Telephone/Internet

Water/Sewer

Electric

Gas

Property Owner fees to POA

Home Insurance including wind, property, fire, liability, and flood if applicable

Real Estate Taxes

Security System

Direct Expenses

Direct expenses that benefit only the business part of the home.

Example , painting or repairs to the business portion of the home, office furnishings.