

Five Facts about the Home Office Deduction

1. Generally in order to claim a business deduction for your home, you must use part of your home exclusively and regularly:
2. Generally, the amount you can deduct depends on the percentage of your home that you used for business. Your deduction for certain expenses will be limited if your gross income from your business is less than your total business expenses.
3. There are special rules for qualified daycare providers and for persons stating business inventor or product samples.
4. If you are self-employed, use Form 8829, Expenses for Business Use of Your Home, to figure your home office deduction. Report the deduction on line 30 of Schedule C, Form 1040.
5. Different rules apply to claiming the home office deduction if you are an employee. For example, 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 (IRS.gov)

Source: IRS External Outreach Branch, Baltimore MD

Do you need a small business accountant? Contact the Bellevue Chamber of Commerce and we'll connect you to one right away! 402.898.3000