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What is a Home Office

According to IRS rules, home office expenses can only be deducted when a "*specific area of your home*" is used "*regularly and exclusively as your principal place of business.*" However, if you use the home office space as a "place to meet or deal with *patients, clients, or customers,*" even if it is not your principal place of business, you may still qualify to take a home office deduction. *

Specific Area of Your Home

Your home office can be a separate room, but it does not have to be. The IRS says it may be a "separately identifiable space" and that permanent partitions are not necessary to mark off that space. But if you do not have permanent partitions, you should take care to define the space with furniture or some other way because you must only use this space for business purposes.

Regularly and Exclusively

The key point in taking the home office deduction is that the office space must **not** be for both personal and business use. So this means, if you want to deduct your home office, it shouldn't be the place you pay your bills and email your friends.

What to Deduct

- Direct
 - Repairs to Office
 - Painting Office
- Indirect
 - Real Estate Taxes
 - **Mortgage Interest**
 - Insurance – both homeowner's insurance and private mortgage insurance
 - Utilities
 - Water
 - Gas
 - Electric
 - Garbage
 - Security System
 - General Repairs and Maintenance
 - Lawn Care
 - Cleaning
 - Pest Control
 - Furnace Servicing
 - Gutters Cleaned
 - Trees Removed
 - Painting
 - New Carpet