

Figure A. **Can You Deduct Business Use of the Home Expenses?** Do not use this chart if you use your home for the storage of inventory or product samples, or to operate a daycare facility. See *Exceptions to Exclusive Use*, earlier, and *Daycare Facility*, later.

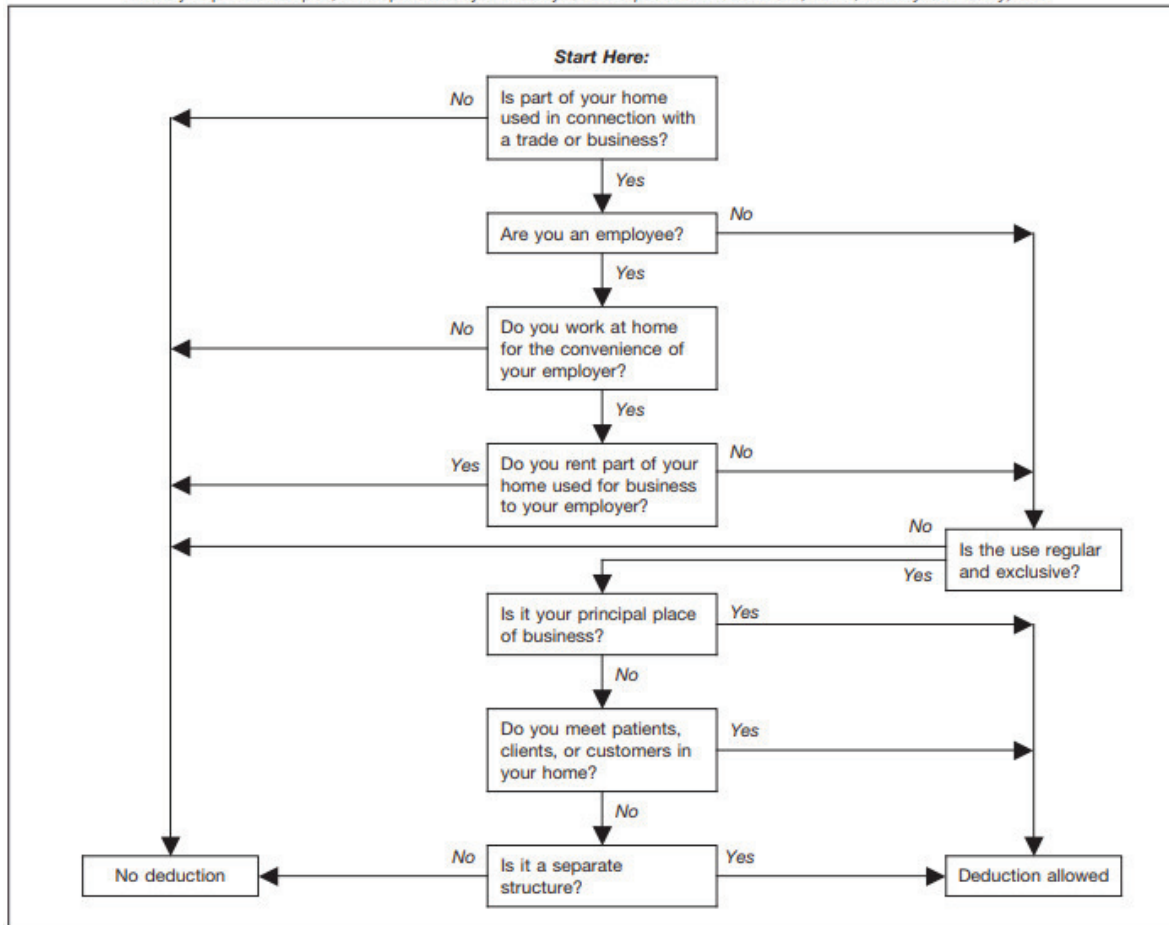


Table 1. **Types of Expenses**

Expense	Description	Deductibility
Direct	Expenses only for the business part of your home. Examples: Painting or repairs only in the area used for business.	Deductible in full.* Exception: May be only partially deductible in a daycare facility. See Daycare Facility , later.
Indirect	Expenses for keeping up and running your entire home. Examples: Insurance, utilities, and general repairs.	Deductible based on the percentage of your home used for business.*
Unrelated	Expenses only for the parts of your home not used for business. Examples: Lawn care or painting a room not used for business.	Not deductible.

Home Office Worksheet for Business Use of Home

Business Name: _____
 Main Business or Profession: _____

Total Square Footage of Home: _____
 Square Footage Devoted to Business: _____
 Taxable Year: _____

Expenses:

Direct expenses benefit the business part of your home. i.e.:
 Cost of painting or repairs made to the specific area or room
 used for business.
Indirect expenses are required for keeping up and running
 your entire home. i.e.: General real estate taxes.

Direct Expenses

Indirect Expenses

Casualty losses:

Deductible mortgage interest paid to:

1. **Financial Institutions:**

2. **Individuals:**

Real Estate Taxes:

Insurance:

Qualified Mortgage Insurance Premiums:

Repairs & Maintenance:

Other Expenses:

Utilities

Home Owners Association

Were improvements made to the home and/or home office since the time you began using the home for business? Yes

I declare that I have examined this information and to the best of my knowledge & belief, it is true, correct, & complete.