

CHAPTER 1 – QUALIFYING FOR A HOME OFFICE DEDUCTION

LEARNING OBJECTIVES

- Recognize the general requirement for exclusive use applicable to home-office deduction and the exceptions to the requirement;
- List the requirements that apply to a taxpayer's qualifying for a home-office deduction for purposes of storage of product samples or inventory;
- Identify the conditions a taxpayer must meet in order to qualify for the exception to the exclusive use rule when operating a daycare facility;
- Recognize the factors that must be considered to determine if a taxpayer's home is the principal place of business for purposes of the home-office deduction; and
- List the exceptions to the requirement that a home office must be the taxpayer's principal place of business in order to qualify for a home-office deduction.

TOPICS COVERED

- Home-Office Deduction Requirements
- Exclusive Use Requirement
- Exceptions to Exclusive Use Requirement
- Storing Inventory or Product Samples
- Use as a Daycare Facility
- Regular Use for Trade or Business Requirement
- Home Office Used on Regular Basis
- Home Office Used in Connection with a Trade or Business
- Principal Place of Business Requirement
- Administrative or Management Activities
- Taxpayers with More than One Trade or Business
- Exceptions to Principal Place of Business Rule
- A Place to Meet Patients, Clients or Customers
- A Separate Structure
- When the Taxpayer is an Employee

CHAPTER 2 – FIGURING THE HOME OFFICE DEDUCTION

LEARNING OBJECTIVES

- Distinguish between the actual expense method and simplified method of figuring the home-office deduction;
- List the expenses normally deductible by taxpayers using a home for business purposes who use the actual expense method;
- Recognize the limits applicable to a home-office deduction; and
- Calculate the home-office deduction for daycare facilities

TOPICS COVERED

- Methods of Figuring the Home-Office Deduction
- Actual Expense Method
- Nature of the Expense
- Percentage of the Home Used for Business
- Calculating Percentage of Home Used for Business
- Deductible Expenses for Home-Office Deduction
- Expenses Deductible by All Homeowners
- Expenses Deductible by Taxpayers Using a Home for Business
- Depreciation
- Insurance
- Rent Paid on Unowned Property
- Repairs
- Security System
- Expenses for Utilities and Services
- Deduction Limit
- Figuring the Deduction Limit when Taxpayer has Multiple Places of Business
- Simplified Method
- Depreciation and Actual Expenses Related to Use of Home not Deductible
- No Deduction of Actual Expense Carryover
- Expenses Deductible Irrespective of Business Use
- Special Rules Applicable to Simplified Method
- Shared Home Use
- Multiple Qualified Business Uses
- More than One Home During the Year
- Part Year Use or Area Changes
- Gross Income Limitation
- Determining the Home-Office Deduction for Daycare Facilities
- Deducting the Cost of Meals and Snacks
- Standard Meal and Snack Rates
- Sale or Exchange of a Taxpayer's Home Used for Business
- Final Regulations on Deduction vs. Capitalization of Tangible Property Costs

CHAPTER 3 – DEDUCTING & RECORDKEEPING

LEARNING OBJECTIVES

- Identify where expenses of a home office are deducted; and
- Recognize the recordkeeping requirements applicable to taxpayers taking a home-office deduction.

TOPICS COVERED

- Where to Deduct Expenses of a Home Office
- Self-Employed Taxpayer & Statutory Employee Deduction of Home Office Expenses
- Expenses Deductible Irrespective of Business Connection
- Deductible Mortgage Interest
- Qualified Mortgage Insurance Premiums
- Real Estate Taxes
- Expenses Deductible only when Home is used for Business
- Actual Expense Method
- Business Expenses Not for Use of Home
- Employees' Deduction of Home Office Expenses
- Calculating an Employee's Home-Office Deduction
- Partners' Deduction of Home-Office Expenses