

Client Name(s) _____ Tax Year _____

**Business Use of Home Expenses
Checklist/Worksheet**

You can deduct expenses for the business or employment use of a work space in your home as long as you meet one of these conditions:

- < The work place at home is your *main* place of employment or business.
- < You use the work place *only* to earn your employment or business income *and* you use it on a regular and ongoing basis for *meeting your clients, customers or patients*.

You can deduct a portion of the work space in home expenses listed below. If you rent rather than own your home, you can deduct the portion of the rent and any expenses that relate to the work space. To calculate the deductible portion, use a reasonable measure, such as the area of the work space divided by the total area of your home.

Note - If you deduct capital cost allowance on the business-use part of your home and you later sell your home, you may be subject to **capital gains tax and recapture** on that portion of your home.

The amount you can deduct for work space in the home expenses cannot exceed your net income from employment or business before you deduct these expenses. In other words, you cannot use these expenses to increase or create a business loss. In later years, you can use any allowable work space in the home expense that you could not deduct in the current year.

This form can be used in one of two ways, either as a checklist to make sure you gather all the information that we need, or you can simply provide us with the total amounts for the year for each of the applicable expense categories.

Heat	\$
Electricity	
Insurance (Footnote 1)	
Maintenance	
Mortgage interest (Footnote 1)	
Rent	
Property taxes (Footnote 1)	
City utilities, water, sewer, garbage	
Other	
Other	
Total	\$
Area of home used for business purposes (ft ²)	ft ²
Total area of home (ft ²)	ft ²
Allowable portion based on ft²	\$
Note - the computer program will keep track of any carry-forwards from prior years and to future years in cases where the full amount is not deductible in the current year.	

Footnote 1 - If you are an *employee* who is required to have a home office, there are some restrictions on home office expenses as follows (the following only applies to employees, not to businesses): "... for an individual who is not a commission sales employee described in paragraph 8(1)(f), expenses on account of capital cost allowance, taxes, insurance and mortgage interest cannot be deducted. For a commission sales employee who is entitled to claim expenses under paragraph 8(1)(f), a reasonable proportion of the taxes and insurance paid on a home owned by the individual is otherwise deductible under that paragraph, in addition to the expenses listed in 5 above. However, no mortgage interest or capital cost allowance can be deducted." - CRA Interpretation Bulletin IT-352R2