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Estimated Tax Deductions for the Business Use of Your Home

Use IRS Forms 4562, 8829, and Schedule C

For more information visit: <http://www.irs.gov>

1. Total area of your home in square feet	
2. Area used exclusively for business	
3. Divide line 2 by line 1 and enter total here and on line 16	

4. Estimate the value of your house minus the value of the land	\$	Column C
5. Multiply line 4 times line 3	\$	
6. Multiply line 5 times .025641 (Depreciation)	\$	

7. Property taxes		\$	
8. Monthly mortgage or rent	\$	x12	\$
9. House Insurance		\$	
10. Electricity (monthly)	\$	x12	\$
11. Heating costs for the year		\$	
12. Water and Sewer		\$	
13. Security System		\$	
14. Garbage pickup		\$	
15. Repairs		\$	
16. Miscellaneous home costs		\$	
17. Add lines 7 through 16		\$	
18. Enter number from line 3			

19. Multiply line 17 times line 18	\$
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20. Telephone (monthly)	\$	x12	\$
21. Percentage of your phone used for business in decimal (ie .75)			

22. Multiply line 20 times line 21	\$
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Other Tax Write-offs

23. Wages paid to your children under age 18 (up to \$4000/child per year)	\$
24. Advertising	\$
25. Office Supplies	\$
26. Legal and Professional Services	\$
27. Postage	\$
28. Samples	\$
29. Entertainment	\$
30. Miscellaneous Expenses	\$

31. Annual Business Mileage \longrightarrow		miles	x \$0.505	\$
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These are the deductions you lose every year you don't have a home based business or if you don't claim them!

32. Add all the dollars in Column C \longrightarrow	\$
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The information on this worksheet is for demonstration purposes only and is not intended as tax advice. Consult with a tax advisor who fully understands the tax laws regarding home based businesses in all matters regarding your tax liabilities.