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Home Office Deduction Worksheet

Please use this worksheet to give us information about your home office for preparation of your tax returns.

There are two versions of this worksheet; a **non-fillable PDF** (what you are viewing now) and an online digital form. If you feel like safely and securely submitting this information via our website, please use this redirect link-

wcginc.com/623

If you want to use the non-fillable PDF, please download, complete and securely upload the PDF to your Sharefile. Please do not email this worksheet since it contains sensitive information. You can access Sharefile here-

wcginc.com/sharefile

Accountable Plan

If you are being reimbursed for home office (occupancy expense) from your partnership or S corporation, please do not use this Home Office form. Rather, please use our Accountable Plan reimbursement form here-

wcginc.com/aplan

Worksheets Available

Here is a list of our worksheets. As mentioned before, you do not have to replicate data that is available elsewhere. For example, mortgage interest and real estate taxes reported on Form 1098 do not need to be entered again with our worksheets. Let's keep life simple and easy for you; that's why you hired us.

Contact Info	Used for basic contact information	**wcginc.com/610**
Dependents	Used for dependents and dependent care	**wcginc.com/612**
Deductions	Used for moving, medical, local taxes, home, charity, IRA	**wcginc.com/615**
Education	Used for education expenses, student loans, 529	**wcginc.com/617**
Business Set Up	Used for all businesses to detail set up information	**wcginc.com/620**
Business Ops, Fin. Data	Used for all businesses to report income and expenses	**wcginc.com/621**
Home Office (**this one**)	Used for home office deductions	**wcginc.com/623**
Auto Expenses	Used for actual expenses and mileage information	**wcginc.com/625**
Accountable Plan	Used for business owners to reimburse for mixed use expenses	**wcginc.com/628**
Rental Property	Used for rental property income and expenses	**wcginc.com/630**
Property Sale	Used for reporting real estate sales, home and rental	**wcginc.com/637**
Expat	Used for expatriates to report foreign income, dates	**wcginc.com/640**
Annual Questionnaire	Used for tax questions including retirement contributions	**wcginc.com/690**

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Person Submitting form

Your Name _____ Cell Phone _____

Primary Email _____

Tax Year _____ Date Worksheet Completed _____

Is this an update to a previously submitted worksheet? Yes No

Home Office Qualification

Your home office will qualify as your principal place of business if you use it **exclusively and regularly** for administrative activities, and you have no other fixed location where you conduct substantial administrative activities. For example, you cannot claim a home office deduction if you occasionally work from home, but otherwise have an office at your employer's place of business.

However, you may also have two work locations, an office outside the home and an office inside the home provided you perform substantially all your administrative activities in your home office. For example, you are a landscaper with a shop. Your shop has a desk and a phone, but you perform substantially all your administrative activities for your landscaping business from your home office, both work locations count.

Administrative activities include performing bookkeeping, speaking to your tax accountant, employment issues, paying bills, etc. Please see our blog post on tax homes and how it affects home offices-

wcginc.com/taxhome

Aside from exclusively, home offices must also be used regularly. Using a home office one day a week for your small business, for example, will typically not qualify as regularly used.

> **Spoiler Alert:** Home offices are not huge tax deductions. The biggest expenses such as mortgage interest and real estate taxes are already being deducted on your tax returns. However, the Tax Cuts and Jobs Act of 2017 has limited these deductions and perhaps a home office can leverage other non-deductible expenses.
>
> Home offices will put about $100-$150 in most taxpayer's pockets. Not huge, but worth a dinner or two. Or 20 footlongs at Subway. The **material benefit to a home office** is your commute now becomes the walk from your bedroom to your office, and all your mileage is now considered business mileage. That's the boom- 8,000 miles at 60 some cents a mile is a $5,000 tax deduction or $1,200 to $1,500 cash in your pockets. Lots of footlongs.

Business Entity Owners

Do not complete this worksheet if you own a Partnership or Corporation. Use the Accountable Plan Reimbursement form-

wcginc.com/628

If you need help or have questions, please email or call us. We'll jump on the phone and walk you through Accountable Plan and how it works.

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Expenses

Please send your mortgage interest statements (Form 1098) and any other year-end statements. We will use that information to compute your deduction for mortgage interest, private mortgage insurance (PMI) and real estate taxes.

Please complete the rest of the expenses associated with **your entire home**, and we will allocate the expenses to your home office accordingly.

Cleaning, Maintenance	_____	Utilities	_____
Casualty Losses, Theft	_____	HOA Dues	_____
Hazard Insurance	_____	Other _____	_____
Rent	_____	Other _____	_____
Repairs, Maintenance	_____	Other _____	_____

Improvements, Direct Expenses

Did you make any improvements to your home office space that was directly related to its business use? For example, a massage therapist might need to install new lighting and sound system specific to massage therapy. If your situation is similar, please explain below-

Do you use a separate structure from your house for business purposes (ie, storage shed)? If so, please explain how utilities and property taxes are separated from the primary structure below-

Home Office Connection

Briefly describe how this home office is used in conjunction with your job or small business below-

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Did you use this home office for the entire year? If not, please provide starting and ending dates, and a brief explanation. Also, if you changed primary homes during the year, we might need you to complete this form twice.

How many **hours per week** do you use your home office for your job or small business use? _____

Do you use the space exclusively as a home office?	Yes	No	
Do you have another office that you use at a different location?	Yes	No	
Did you operate a childcare facility in your home?	Yes	No	
Did you reimburse yourself for your home office using an Accountable Plan?	Yes	No	Unsure

Home Office Set Up Information

We need some basic information about your home office when one or more of the following apply-

- You are a new client to WCG (yay!)
- You switched homes, and subsequently switched home office spaces.
- You started your home office for the first time during the tax year.

When determining the value of the land, the property assessment from the county assessor can be helpful- we can also help with this too. Land value is used to determine depreciation.

Property Address _____

Date Home Office was First Used _____

Original Purchase Price of Home _____

Portion of Price or Value Attributed to Land _____

Area Exclusively Used as Home Office (sqft) _____

Total Area of Home (sqft) _____

Does any of the square footage above include an unfinished basement, attic or garage? If so, please detail the amount of unfinished square footage that is used for business purposes (ie, home office, storage) below-

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Did you switch homes in during the tax year? If so, can you provide details (more follow up might be required)-

Fair Market Value

Two things. When you first started using the home office, what was the fair market value of your home including land? And, did you make any improvements to your home overall such as a new deck or roof after purchasing the home? If so, please explain below-

Disclosure

I(We) verify that the information provided in this **Home Office Deduction Worksheet** is accurate and complete. I(We) understand it is my(our) responsibility to include any and all information concerning income, deductions and other information necessary for the preparation of my (our) personal income tax return.

Taxpayer Signature _____ Date_____

Printed Name _____

Spouse Signature _____ Date_____

Printed Name _____

Please call or email us anytime with your questions and concerns. Thank you in advance, and we look forward to working with you!

WCG CPAs & Advisors

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