PRIME

HOME OFFICE



Utilizing your home as a primary place of business isn't just a convenient (and affordable) way to establish a dedicated office space, but can also offer excellent tax benefits when implementing the home office deduction correctly. The catch is that the space you're claiming as a home office must be used regularly and exclusively as a home office. This unfortunately means you can't work from your kitchen counter and write it off as a deduction.

QUALIFICATIONS

If you're running a business out of your home, you will probably qualify for some or all of the options this strategy entails! Determining exactly which home office expenses are deductible depends on a few factors, including the size of your home office and the type of expenses you're incurring.

- **Exclusive and Regular Use:** The office space must be used regularly and exclusively for business purposes. This means the space cannot double as a personal room (e.g., a bedroom that is also used as an office).
- **Employment Type:** This deduction is for self-employed individuals. Work-from-home W2 workers generally cannot claim it unless they're active-duty Armed Forces or meet specific exceptions.
- **Expense Classification:** It's important to identify the types of expenses to incorporate into your home office deduction strategy, as this can impact how they are treated.
  - **Direct Expenses:** Expenses solely for the home office, like supplies, equipment, and office-specific repairs (e.g., a light fixture)
  - **Indirect Expenses:** Shared home costs like rent, utilities, and repairs

IMPLEMENTATION

For a detailed implementation checklist and other helpful resources, scan the QR code below or click **here**.

GOT QUESTIONS?

Email **decoder@primecorporateservices.com** or contact **(855) 577-4639** for more information.

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