

Home Office Deduction

Taxpayers are allowed a deduction for home office expenses if the space is used regularly and exclusively as a principal place of business. Exclusive means just that. Courts have denied the deduction to taxpayers when the space was used after hours by family members. Use of a business computer (in the business space) for personal purposes or the presence of a TV can jeopardize the deduction. The point here is that the IRS is very strict when it comes to home office deductions, and taxpayers are well advised to be very cautious about trying to push the envelope when it comes to deducting home office expenses.

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