

BUSINESS USE OF RESIDENCE EXPENSE DETAILS

NAME: _____

TAXATION YEAR: _____

BUSINESS USE OF RESIDENCE

EXPENSES

Gas _____	Rent (if applicable) _____
Hydro _____	Strata fees _____
House Insurance (Commission & Self-employed only) _____	Utilities _____
Cleaning Supplies _____	Water _____
Mortgage Interest (Self employed only) _____	Garbage Collection (if paid separately) _____
Property Taxes (Commission & Self employed only) _____	Other (please specify) _____ _____
SQUARE FOOTAGE: Used for business _____	_____ _____
Total square footage of house _____	_____

Tips on claiming home office expenses:

- In order to claim expenses for using part of your home as a place of business, you must meet one of two tests:
 1. your home office is your principal place of business; *or*
 2. your home office is used exclusively for the purpose of earning income from business *and* is used on a regular and continuous basis for meeting clients, customers, or patients of your business
- In order to protect the tax-free nature of any gain you realize on the sale of your house, you should *not* claim capital cost allowance (depreciation) as an expense, nor should you claim any structural alterations you make to your house in order to accommodate your business activities. Canada Revenue takes the position that if you do either of the above, your residence will have undergone a “change in use” on the business portion of the house, and that portion will not be eligible for tax-free principal residence status.
- Additionally, you may lose your principal residence deduction on the *entire* property if CRA considers your claim for business-use of the home to be excessive. CRA has considered claims of 40% to 50% excessive in certain cases.
- Maintenance expenses that you can claim for your in-home business are restricted to those specifically related to the office. For example, if you pay someone to clean your office, this should be deductible, but claiming a portion of landscaping costs would not be.