



Home Office Expenses Made Simple

How to calculate and what you can claim

Step 1: Determine Eligibility

- You must use the space regularly and exclusively for business
- OR it must be your principal place of business

Step 2: Calculate Your Business Use %

- Measure your workspace (square feet)
- Divide by total home size
- Example: 200 sq ft office / 1,000 sq ft home = 20%

Step 3: Apply % to Eligible Expenses

- Rent or mortgage interest (NOT principal)
- Utilities (heat, electricity, water)
- Internet
- Home insurance
- Maintenance & minor repairs

What You Generally Cannot Claim

- Mortgage principal payments
- Full household expenses (must be prorated)
- Personal-use areas (living room, kitchen, etc.)

Simple Example

- Total eligible home expenses: \$10,000
- Business use %: 20%
- Claimable amount: \$2,000

Starlight Tip

- Be reasonable and consistent with your percentage
- Document how you calculated your space
- This is a common audit area