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Home Office Expenses - Commission Based/ Self-Employed

Commission Employee's or Self-Employed Individuals

Can I Claim Home Office Expenses?

You are able to claim expenses incurred for use of a work space in your home for employment reasons, however, you must meet one of the following requirements:

- The work space is your principal place of business
(You use this space as your only destination to earn your income.)
- This space must be used on a regular and continuous basis for any meetings involving your employment. You must ensure you keep a copy of form T2200, Declaration of Conditions of Employment that has been signed by your employer with your records.

What can I Claim?

You can claim part of the costs relating to the work space such as electricity/heat, maintenance and home insurance. You can also deduct part of your mortgage interest, property taxes and CCA. If you are renting the property in which the home office is located you may be able to deduct a percentage of the rent.

How much can I Claim?

In order to calculate the percentage of home office expenses you can deduct, use a reasonable basis, such as the area of the work space divided by the total finished area (including hallways, bathrooms, kitchens, etc.). If part of your home is used for both business and personal calculate how many hours in the day you use the space for business. Divide this amount by 24 hours and multiply the result by the business part of your total home expenses.

The amount you can deduct for business use of home expenses cannot be more than your net income from the business before you deduct these expenses. If you cannot deduct all your expenses relating to your home office in one year, you can carry forward expenses. You may deduct the lesser of the following:

- Any amounts carried forward from the previous year, plus home expenses accumulated in the current year
- The amount of your net income or loss after any adjustments are made

Required Forms: T2200, Declaration of Conditions of Employment
T777, Statement of Employment Expenses