



Self Employed Business Use of Residence Expense Details

(see employment expense form if you receive Employment or Commission income)

Name _____

Taxation year _____

Square footage

Square footage used for business _____

Total square footage of home _____

Expenses

Heat - gas _____

Electricity - hydro _____

House insurance _____

Property taxes _____

Mortgage interest _____

Other expenses

Rent _____

Strata fees _____

City utilities _____

Other (specify) _____

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Tips for 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 Agency (CRA) 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.

Source: <https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/about-your-tax-return/tax-return/completing-a-tax-return/deductions-credits-expenses/line-229-other-employment-expenses/salaried-employees/work-space-home-expenses.html>