

# Home Office Claim

**Where a self-employed taxpayer uses their home partly to conduct business, they are entitled to a partial deduction for the outgoings which relate to the use of the home for the work related activities.**

These include:-

- Heating
- Lighting
- Rates and water rates
- Mortgage interest
- House and contents insurance
- Repairs and maintenance
- Telephone rental
- Waste Disposal

The portion of outgoings deductible is based on the area used for the business, expressed as a percentage of the total area of the home:-

$$\frac{\text{Area used for business purposes}}{\text{Total area of home}}$$

It is not absolutely necessary to set aside a specific room for business purposes, nor is it necessary for your home to be physically changed to suit the business.

However in cases where a separate room is not set aside, it may be appropriate to apportion the outgoings based on criteria such as the amount of time spent on income-earning activities at home as well as the area used.

Examples of areas likely to be used for business purposes include:-

- An office or office area
- A storeroom or storage area
- A workshop
- A garage or part of a garage which is used to house a business vehicle and tools

### **Our Advice:**

Do the maths, and think laterally. Most people who are self employed find that it is impossible to completely separate business life from home life. Keep written workings of your calculations, and be sure to keep records of your outgoings in a safe place.

RWL Group Limited trading as RWL Chartered Accountants has provided this report on the understanding that:

1. The report is a guide only and should not form the sole basis for any decision without first obtaining proper professional advice.
2. We will not be responsible for and expressly disclaim liability, whether under contract or negligence:
  - (a) For the results of any use made by users of the report
  - (b) For any errors or omissions in this report
  - (c) For any direct or consequential loss or damage to arising from the use of this report, whether to a direct purchaser of this report or to any other person who may borrow or use them
  - (d) If any part of the report, whether used in its original form or altered in some way by the user, proves invalid or does not attain the result desired by the user
  - (e) For any negligence in the publication or preparation of these reports
3. This disclaimer extends to the user and to any client of the user who suffers loss as a result of the use of these reports.
4. The user acknowledges that it has not told us any particular purpose for which these reports are required and that it has not relied on our skill or judgement to provide a paper suitable for any such purpose.

**Intellectual Property Notice**

RWL Group Limited trading as RWL Chartered Accountants:

1. Holds the exclusive authority to use all copyright, trademarks and other intellectual property rights comprised in this paper.
2. Does not allow these rights nor any part of this paper to be used, sold, transferred, licensed, copied or reproduced in whole or in part in any manner or form whatsoever without its prior written consent.