



FEDERATION OF AMERICAN CONSUMERS AND TRAVELERS - NEWS RELEASE -

FOR IMMEDIATE RELEASE

Making a Home-Office Deduction on Your Taxes

EDWARDSVILLE, IL, October 30, 2009 -With technology making it easier than ever for people to operate a business out of their houses, the Federation of American Consumers and Travelers (FACT) is issuing some basic information to its members about taking a home office deduction.

Included in this information are the key things the IRS wants 2009 work-at-home filers to know:

Generally, in order to claim a business deduction for your home, you must use part of your home exclusively and regularly (a) as your principal place of business or (b) as a place to meet or deal with patients, clients or customers in the normal course of your business.

In the case of a separate structure, which is not attached to your home, it must be used in connection with your trade or business. For certain storage use, rental use or daycare-facility use, you are required to use the property regularly but not exclusively.

The amount you can deduct depends on the percentage of your home that you used for business. Your deduction for certain expenses will be limited if your gross income from your business is less than your total business expenses.

There are special rules for qualified daycare providers and for persons storing business inventory or product samples. Different rules also apply to claiming the home office deduction if you are an employee. For example, the regular and exclusive business use must be for the convenience of your employer.

If you are self-employed, use Form 8829, Expenses for Business Use of Your Home, to figure your home office deduction. Report the deduction on line 30 of Schedule C, Form 1040.

Vicki Rolens, managing director of FACT, reminds members to seek professional help in filing for a home office deduction. "The tax system is so complex," she says, "that it's almost impossible for anyone other than a tax expert to wade through the process and make sure a return is completed and filed to the IRS' satisfaction."

This news release has been issued by the Federation of American Consumers and Travelers (FACT). FACT is a not-for-profit consumer organization, formed under the not-for-profit corporation laws of the District of Columbia in 1984. It currently serves more than 1 million consumers nationwide. Additional information on FACT may be found in the *Encyclopedia of Associations*, and by visiting the association's Web site (www.usafact.org). Informative, unbiased news bulletins are regularly disseminated by FACT to help its members remain current on matters which might seriously impact their lives. In addition to publishing consumer-related reports, the association provides more than 30 benefits for its members, ranging from [medical insurance](#) and [dental discounts](#) to [prescription drug savings](#) and [scholarships](#). FACT's administrative office is located at 318 Hillsboro Avenue, Edwardsville, IL 62025.