

## **Minding Your Own Business – Part 2 - Extract**

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### **Use of home as an office**

You can claim a proportion of your home costs as long as you can establish the extent it is used for business. To do this, calculate a percentage on the number of rooms, which will exclude the bathroom and the kitchen.

You will be able to claim 100% of repairs, maintenance and decorations to the room you use for business.

Here's an example:

Say, you use one bedroom as your office in a 3 bedroom house, with a living room and dining room.

So, this works out to be one room in five. ( $1/5 = 20\%$ ). In this example, we calculate the business proportion of the home as 20%.

The calculation would then be:

	<b>Total Bill Per annum £</b>	<b>Business Use (20%) £</b>
Mortgage interest	4,000	800
Council Tax	200	40
House insurance	600	120
Gas	400	80
Electricity	400	80
Repairs	800	800
<b>Total</b>	<b>6,400</b>	<b>1,920</b>

In this example you would be able to claim £1,920 for the use of home as an office.

Even though you use the above calculation as a guide, the Inland Revenue would still try and find issues with it, so beware.