

HOME OFFICE EXPENSE DEDUCTION

The Canada Revenue Agency has released detailed guidance on the home office expense deduction that an employee can claim on their 2020 personal income tax return.

If Martin Henry prepares your corporate year-end, the following **does not apply to you**, and a home office deduction will not be claimed on your 2020 personal tax return.

For **2020 only**, there will be two methods by which an employee may be able to claim a home office expense deduction:

- The new “**temporary flat rate method**,” which provides a deduction of \$2 per workday at home (to a maximum of \$400); and
- The “**detailed method**” which is similar to the existing deduction for the home office expense deduction, except that the category of eligible expenses has been expanded to include home internet access fees.

Temporary Flat Rate Method

Under the temporary flat rate method, a signed Form T2200S (or T2200), **will not be** required by employees to claim a home office expense deduction on their personal tax returns.

To qualify under the temporary flat rate method, you must meet **ALL** of the following conditions:

- You worked from home in 2020 due to the COVID-19 pandemic
- You worked more than 50% of the time from home for a period of at least four consecutive weeks in 2020
- You are only claiming home office expenses and are not claiming any other employment expenses
- Your employer did not reimburse you for **all** of your home office expenses

Workdays would include part-time or full-time days, but not days off, sick leave days or other leaves of absences. No Supporting documents will be required other than to substantiate the days you worked from home.

Number of days you worked from home during COVID-19 ____ x \$2 = \$_____ (maximum \$400)

Detailed Method

Under the detailed method, a simplified version of Form T2200 **will be required** (T2200S).

To qualify under the detailed method, you must meet **ALL** of the following conditions:

- You worked from home in 2020 due to the COVID-19 pandemic, or your employer required you to work from home
- You worked more than 50% of the time from home for a period of at least four consecutive weeks in 2020

- Have a completed and signed form T2200S or Form T2200 from your employer
- The expenses are used directly in your work during the period

To calculate the home office expense deduction under the detailed method, we will need the following information:

Office supplies (postage, stationary, ink, toner, pens, etc.) \$ _____ (A)

You **cannot claim** any of the following:

- Depreciation (CCA), mortgage payments or interest
- Capital expenses (replacing windows, flooring, furnace, etc.)
- Office equipment (printer, fax, cell phone, laptop, etc.)
- Computer accessories (monitor, mouse, keyboard, etc.)
- Furniture (desk, chair, etc.)
- Monthly basic rate for a landline (telephone)

Employment use of a basic cell phone plan, plus long-distance fees \$ _____ (B)

Total size of your work space \$ _____ (C)

Total size of your home \$ _____ (D)

Heat \$ _____

Electricity \$ _____

Water \$ _____

Home internet access \$ _____

Maintenance \$ _____

Rent \$ _____

Other \$ _____

Insurance (commission employees only) \$ _____

Property taxes (commission employees only) \$ _____

Total \$ _____ x C/D = E \$ _____ (E)

Total home office expense deduction= (A+B+E) \$ _____

OTHER EMPLOYMENT EXPENSES

Accounting/Legal fees	\$ _____
Advertising/Promotion	\$ _____
Meals/Entertainment	\$ _____
Lodging/Travel	\$ _____
Office Supplies	\$ _____
Parking	\$ _____
Telephone	\$ _____
Other Expenses	\$ _____
Is your employer registered for GST?	
YES <input type="checkbox"/> NO <input type="checkbox"/>	

Automobile Expenses	
Owned <input type="checkbox"/> Leased <input type="checkbox"/>	
Make	_____
Model	_____
Year	_____
Kilometers for 2020:	
Employment kms driven	_____
Total kms driven	_____
Fuel	\$ _____
Repairs/Maintenance	\$ _____
Insurance	\$ _____
License and Registration	\$ _____
Loan Interest	\$ _____
Lease Payments	\$ _____
Parking	\$ _____
Other	\$ _____
If a vehicle was acquired in 2020, please provide a copy of the purchase/lease document	
If a vehicle was disposed of in 2020, please provide details	