

## Use of home as office calculator

The following calculator is designed for use by a self-employed person to calculate how much to claim as a tax-deductible expense for working for home.

### Warning:

- Each expense claim is different & each must be decided according to its own facts.
- This calculation requires a degree of common sense combined with use of judgement and an understanding of both the type of business conducted & tax law.
- Tax penalties will apply in the event of carelessness.
- You must always try to retain evidence of proof of expenditure incurred (bills paid etc)

### Warning:

Expenses may be apportioned on different basis. This toolkit calculates expenses based on number of rooms and hours. A different or perhaps a more accurate calculation may create a different result when taking into account actual usage and other factors as considered in the guide [Working from home \(self-employed\)](#). Use of rooms as a basis of apportionment may give you a skewed result if your office is small and other rooms large.

From April 2013 small businesses may claim a fixed rate deduction.

## Calculation

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### Step 1 working hours

- What type of work do you do?
- Is the business based at your home?
- Do you do work elsewhere?
- Does the business occupy other premises?
- Do you employ any employees?
- Do they also work at your home?
- Considering the responses to the above questions: for how many hours is your home actively used for work per day?
- If you also work away from home, how many hours do you work away from home per day?

Step 1 Working Hours	Total hours
For how many hours is your home used for your business each day?	



## Step 2 working rooms

- How many rooms are there in your house?
- How many rooms do you use wholly or exclusively for work?
- Do you use these rooms for private purposes during the evening or weekends?
- How many rooms do you use partly for work and partly for private use?
- Do you use any rooms for wholly or exclusively for work storage?

Step 2 totals	Number
A. How many rooms are there in your house	
B. How many rooms do you wholly for your business	
C. How many rooms have split use	

## Step 3 working costs

Add up you costs:

Fixed costs	£
Mortgage interest or rent	
Council tax	
Water rates	
Insurance	
Broadband	
<b>Total</b>	
Variable costs	£
Electricity	
Gas	
Repairs and maintenance	
Cleaning	
<b>Total</b>	



## Calculation

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### Full-time workers

If your total at Step 1 is more than 7 hours (if you work from home full-time)

Take the combined totals from Step 3 and divide by Step 2 A, then multiply by  $(B + 1/2 \times C)$

Where you are also using rooms privately - say at weekends or in the evening you should consider restricting the claim proportionately.

### Part-timers

If you are not working full time from home you may need to restrict your claim if you are not using rooms wholly or exclusively for the business. This calculation time apportiones the claim over 24 hours. It may be more beneficial to work out usage on an expense by expense basis.

If your total at Step 1 is less than 7 hours:

Take the combined totals from Step 3 and divide by Step 2 A, then multiply by  $(B + 1/2 \times C)$ . Multiply the result by your total hours at Step 1 and divide by 24.

### Note on expenses

Telephone costs are not included in this calculation as it is assumed that the business would either support a dedicated phone line or that any claim for the use of a private be claimed separately based on actual use.

### Minor use of home

According to its manuals HMRC will not challenge reasonable claims when there is minor use of home. It seems reasonable therefore to assume that rather than attempt a calculation HMRC will allow at least the same allowance that HMRC allows employees who are homeworking. This amounts to £3 per week for home working for 2011/12, and £4 per week from 2012/13. This is non-statutory.

### Flat rate/fixed rate claim

From April 2013 you may claim a fixed rate for use of home. The rate applicable is based on your calculation of the number of hours that you work at any homes "wholly and exclusively" for the purposes of the trade.

No of hours worked per month	Amount per month
25 to 50	£10
51 to 100	£18
101 +	£26

