

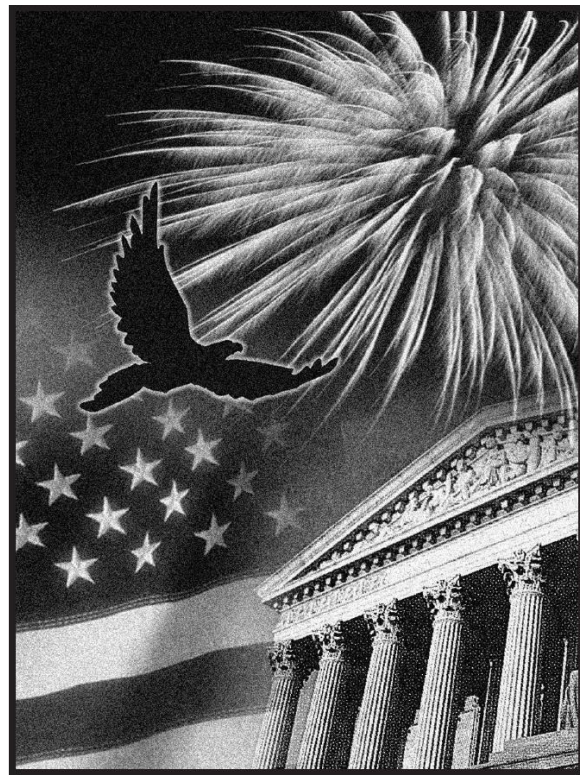
Publication 587

Business Use of Your Home

(Including Use by Daycare Providers)

For use in preparing **2023** Returns

Volume 2 of 2



Get forms and other information faster and easier at:

- **[IRS.gov](https://www.irs.gov)** (English)
- **[IRS.gov/Korean](https://www.irs.gov/Korean)** (한국어)
- **[IRS.gov/Spanish](https://www.irs.gov/Spanish)** (Español)
- **[IRS.gov/Russian](https://www.irs.gov/Russian)** (Русский)
- **[IRS.gov/Chinese](https://www.irs.gov/Chinese)** (中文)
- **[IRS.gov/Vietnamese](https://www.irs.gov/Vietnamese)** (Tiếng Việt)



Department of the Treasury
Internal Revenue Service

Publication 587 (Rev. 2023) Catalog Number 39305G
Department of the Treasury **Internal Revenue Service** www.irs.gov



Visit the Accessibility
Page on [IRS.gov](https://www.irs.gov)

This page is intentionally left blank

Reporting and recordkeeping

requirements. If you use listed property in your business, you must file Form 4562 to claim a depreciation or section 179 deduction. Begin with Part V, Section A, of that form.



You cannot take any depreciation or section 179 deduction for the use of listed property unless you can prove your business/investment use with adequate records or sufficient evidence to support your own statements.

To meet the adequate records requirement, you must maintain an account book, diary, log, statement of expense, trip sheet, or similar record or other documentary evidence that is sufficient to establish business/investment use. For more information on what records to keep, see Pub. 946.

Property Bought for Business Use

If you bought certain property during 2023 to use in your business, you can do any one of the following (subject to the limits discussed later).

- Elect a section 179 deduction for the full cost of the property.
- Depreciate the cost of the property.
- Take part of the cost as a section 179 deduction and depreciate the balance.

Section 179 Deduction

You can claim the section 179 deduction for the cost of depreciable tangible personal property bought for use in your trade or business. You can choose how much (subject to the limit) of the cost you want to deduct under section 179 and how much you want to depreciate. You can spread the section 179 deduction over several items of property in any way you choose as long as the total does

not exceed the maximum allowable. You cannot take a section 179 deduction for the basis of the business part of your home.

You elect the section 179 deduction by completing Part I of Form 4562.

More information. For more information on the section 179 deduction, qualifying property, the dollar limit, and the business income limit, see Pub. 946 and the Instructions for Form 4562.

Depreciation

Use Parts II and III of Form 4562 to claim your deduction for depreciation on property placed in service during the year. Do not include any costs deducted in Part I (section 179 deduction).

Most business property normally used in a home office is either 5-year or 7-year property under MACRS.

- 5-year property includes computers and peripheral equipment, typewriters, calculators, adding machines, and copiers.
- 7-year property includes office furniture and fixtures such as desks, files, and safes.

Under MACRS, you generally use the half-year convention, which allows you to deduct a half-year of depreciation in the first year you use the property in your business. If you place more than 40% of your depreciable property in service during the last 3 months of your tax year, you must use the mid-quarter convention instead of the half-year convention.

After you have determined the cost of the depreciable property (minus any section 179 deduction and special depreciation allowance taken on the property) and whether it is 5-year or 7-year property, use the table, shown next, to figure your depreciation if the half-year convention applies.

**Table 4. MACRS Percentage Table for
5and 7-Year Property Using Half-Year
Convention**

Recovery Year	5-Year Property	7-Year Property
1	20.00%	14.29%
2	32.00%	24.49%
3	19.20%	17.49%
4	11.52%	12.49%
5	11.52%	8.93%
6	5.76%	8.92%
7		8.93%

8		4.46%
---	--	-------

See Pub. 946 for a discussion of the mid-quarter convention and for complete MACRS percentage tables.

Example. In June 2023, Kerry bought a desk and three chairs for use at their office. The total bill for the furniture was \$1,975. The taxable business income for the year was \$3,000 without any deduction for the office furniture. Kerry can elect to do one of the following.

- Take a section 179 deduction for the full cost of the office furniture.
- Take part of the cost of the furniture as a section 179 deduction and depreciate the balance.
- Not take the section 179 deduction and depreciate the office furniture using its full cost.

The furniture is 7-year property under MACRS. Kerry does not take a section 179 deduction. Kerry multiplies \$1,975 by 14.29% (0.1429) to get the MACRS depreciation deduction of \$282.23.

Personal Property Converted to Business Use

If you use property in your home office that was used previously for personal purposes, you cannot take a section 179 deduction for the property.

If you began using the property for personal purposes after 1980 and before 1987 and change it to business use in 2023, you cannot take a special depreciation allowance for the property. However, you can depreciate it. You generally depreciate the property under the accelerated cost recovery system (ACRS). However, if the depreciation under ACRS is greater in the first year than the depreciation under MACRS, you must depreciate it under

MACRS. For information on ACRS, see Pub. 534, *Depreciating Property Placed in Service Before 1987*.

If you began using the property for personal purposes after 1986 and change it to business use in 2023, you may be able to take a special depreciation allowance for the property. You generally depreciate the property under MACRS. The basis for depreciation of property changed from personal to business use is the lesser of the following.

- The adjusted basis of the property on the date of change.
- The fair market value of the property on the date of change.

If you began using the property for personal purposes before 1981 and change it to business use in 2023, depreciate the property by the straight line or declining balance

method based on salvage value and useful life.

Recordkeeping

You do not have to use a particular method of recordkeeping, but you must keep records that provide the information needed to figure your deductions for the business use of your home. You should keep canceled checks, receipts, and other evidence of expenses you paid.

Your records must show the following information.

- The part of your home you use for business.
- That you use part of your home exclusively and regularly for business as either your principal place of business or as the place where you meet or deal with clients or customers in the normal course of your business. However, see the earlier

discussion, [Exceptions to Exclusive Use](#) under *Qualifying for a Deduction*.

- The depreciation and expenses for the business part.

You must keep your records for as long as they are important for any tax law. This is usually the later of the following dates.

- 3 years from the return due date or the date filed.
- 2 years after the tax was paid.

Keep records to prove your home's depreciable basis. This includes records of when and how you acquired your home, your original purchase price, any improvements to your home, and any depreciation you are allowed because you maintained an office in your home. You can keep copies of Forms 8829 or the [Worksheet To Figure the Deduction for Business Use of Your Home](#), found later in this publication, as records of depreciation.

For more information on recordkeeping, see Pub. 583, *Starting a Business and Keeping Records*.

Where To Deduct

Deduct expenses for the business use of your home on Form 1040 or Form 1040-SR. Where you deduct these expenses on the form depends on whether you are a self-employed person or a partner.

Self-Employed Persons

If you use your home in your trade or business and file Schedule C (Form 1040), report the entire deduction for business use of your home on line 30 of Schedule C (Form 1040). Whether you need to complete and attach Form 8829 to your return depends on how you figure your deduction. See *Line 30* in the Instructions for Schedule C for more information.

If you use your home in your farming business and file Schedule F (Form 1040), report your entire deduction for business use of the home on line 32 of Schedule F (Form 1040). Enter “Business Use of Home” on the dotted line beside the entry.

Expenses Deductible Without Regard to a Business Connection

Certain expenses related to the use of your home may be deducted whether or not you use your home for business. These expenses may include some or all of your mortgage interest, real estate taxes, and casualty losses attributable to a federally declared disaster. Where you deduct these expenses depends on how you figure your deduction for business use of the home.

Using actual expenses to figure the deduction. In general, you will deduct the business portion of these expenses on Schedule C (Form 1040) or Schedule F (Form

1040) as part of your deduction for business use of your home. If you itemize your deductions, you will deduct the personal portion of these expenses on Schedule A (Form 1040).

Home mortgage interest. The business portion of your home mortgage interest allowed as a deduction this year will be included in the business use of the home deduction you report on Schedule C (Form 1040), line 30, or Schedule F (Form 1040), line 32. If you cannot deduct the business portion of your home mortgage interest in full this year, you will carry over the remaining home mortgage interest to a subsequent year in which you use actual expenses to figure your business portion of the home deduction.

If you itemize your deductions on Schedule A (Form 1040), only include the personal part of your deductible mortgage interest on Schedule A (Form 1040), line 8a or 8b. The personal portion of your home mortgage

interest will generally be the amount of deductible home mortgage interest you figured when treating all home mortgage interest as a personal expense and applying the Schedule A (Form 1040) limits on deducting home mortgage interest, reduced by the business or rental portions deducted or carried over as a business or rental expense on Schedule C, E, or F, or any form other than Schedule A. Home mortgage interest that exceeds the amount you figured after applying the Schedule A (Form 1040) limits on deducting home mortgage interest is not deductible as a personal expense.

Real estate taxes. You figure the business portion of your real estate taxes using Form 8829 (if you file Schedule C (Form 1040)) or the Worksheet To Figure the Deduction for Business Use of Your Home in this publication (if you file Schedule F (Form 1040)). The business portion of your real estate taxes allowed as a deduction this year will be

included in the business use of the home deduction you report on Schedule C (Form 1040), line 30, or Schedule F (Form 1040), line 32. If you cannot deduct the business portion of your real estate taxes in full this year, you will carry over those real estate taxes to a subsequent year in which you use actual expenses to figure your business portion of the home deduction.

If you itemize your deductions on Schedule A (Form 1040), only include the personal part of your real estate taxes on Schedule A (Form 1040), line 5b. The personal portion of your real estate taxes will generally be the amount of real estate taxes you paid for the home reduced by the business or rental portions deducted or carried over as a business or rental expense on Schedule C, E, or F, or any form other than Schedule A.

Casualty losses. You will figure the business portion of the casualty losses attributable to your home using Form 8829 (if you file

Schedule C (Form 1040)) or the Worksheet To Figure the Deduction for Business Use of Your Home in this publication (if you file Schedule F (Form 1040)). The business portion of your casualty losses allowed as a deduction this year will be reported on line 27 in Section B of Form 4684. If you cannot deduct the business portion of your casualty losses in full this year, you will carry over those losses to a subsequent year in which you use actual expenses to figure your business of the home deduction.

Only include the personal portion of your casualty losses in Section A of the Form 4684 you attach to your return. If you itemize your deductions on Schedule A (Form 1040), you will include the deductible personal portion of the casualty losses attributable to your home figured on line 18 of Form 4684 on line 15 of Schedule A and the net qualified disaster losses attributable to your home figured on line 15 of Form 4684 on

line 16 of Schedule A. If you are increasing your standard deduction by a net qualified disaster loss, you will add the net qualified disaster loss figured on line 15 of Form 4684 to your standard deduction using a Schedule A.

Using the simplified method to figure your deduction. If you use the simplified method to figure your deduction for the business use of a home, your mortgage interest, real estate taxes, and casualty losses are treated as personal expenses, and they are subject to any limits that apply to deducting personal expenses. No part of any of these expenses can be deducted as a business expense on Schedule C (Form 1040) or Schedule F (Form 1040). Generally, you can only deduct these expenses if you itemize your deductions on Schedule A (Form 1040).

Business Expenses for Use of Your Home

Other expenses related to the use of your home may be deducted only to the extent they are related to the business use of your home. These expenses include insurance, maintenance, utilities, and depreciation of your home. You cannot deduct the personal portion of any of these expenses. Where you deduct the business portion of these expenses depends on how you figure your deduction for business use of the home.

Using actual expenses to figure your deduction. If you file Schedule C (Form 1040), report the other home expenses that would not be allowable if you did not use your home for business (for example, insurance, maintenance, utilities, and depreciation) on the appropriate lines of your Form 8829. If you rent rather than own your home, report the rent you paid on line 19 of Form 8829. If these expenses exceed the deduction limit,

carry the excess over to next year. The carryover will be subject to next year's deduction limit.

If you file Schedule F (Form 1040), include your otherwise nondeductible expenses (insurance, maintenance, utilities, depreciation, etc.) with your total business-use-of-the-home expenses on Schedule F (Form 1040), line 32. Enter "Business Use of Home" on the dotted line beside the entry. If these expenses exceed the deduction limit, carry the excess over to the next year. The carryover will be subject to next year's deduction limit.

Using the simplified method to figure your deduction. You cannot deduct any of these expenses. The simplified method is an alternative to calculating and substantiating these expenses. Figure your deduction using the [Simplified Method Worksheet](#).

Business Expenses Not for Use of Your Home

No matter how you figure the deduction for business use of your home, deduct business expenses that are not for the use of your home itself (dues, salaries, supplies, certain telephone expenses, depreciation of equipment, etc.) on the appropriate lines of Schedule C (Form 1040) or Schedule F (Form 1040). These expenses are not for the use of your home, so they are not subject to the deduction limit for business use of the home expenses.

Partners

You may be allowed to deduct unreimbursed ordinary and necessary expenses you paid on behalf of the partnership (including qualified expenses for the business use of your home) if you were required to pay these expenses under the partnership agreement and they

are trade or business expenses under section 162.

If you are using actual expenses to figure your deduction for the business use of your home, use the [Worksheet To Figure the Deduction for Business Use of Your Home](#), later. If you are using the simplified method to figure your deduction for the business use of your home, use the [Simplified Method Worksheet](#), later.

Deducting unreimbursed partnership expenses. See the following forms and related instructions for information about deducting unreimbursed partnership expenses.

- Schedule E (Form 1040), Supplemental Income and Loss.
- Schedule SE (Form 1040), Self-Employment Tax.
- Schedule K-1 (Form 1065), Partner's Share of Income, Deductions, Credits, etc.


More information. For more information about partners and partnerships, see Pub. 541, Partnerships.

Worksheet To Figure the Deduction for Business Use of Your Home

This worksheet is to be used by taxpayers filing Schedule F (Form 1040) or by partners with certain unreimbursed ordinary and necessary expenses if using actual expenses to figure the deduction. If you are using the simplified method to figure your deduction, use the [Simplified Method Worksheet](#), later.

This page is intentionally left blank

Worksheet To Figure the Deduction for Business Use of Your Home

Keep for Your Records 

Use this worksheet if you file Schedule F (Form 1040) or you are a partner, and you are using actual expenses to figure your deduction for business use of the home. Use a separate worksheet for each qualified business use of your home.

PART 1—Part of Your Home Used for Business:			
1) Area of home used for business			1) _____
2) Total area of home			2) _____
3) Percentage of home used for business (divide line 1 by line 2 and show result as percentage)			3) _____ %
PART 2—Figure Your Allowable Deduction			
4) Gross income from business (see instructions)			4) _____
	(a) Direct Expenses	(b) Indirect Expenses	
5) Casualty losses	5) _____	_____	
6) Deductible mortgage interest	6) _____	_____	
7) Real estate taxes	7) _____	_____	
8) Total of lines 5 through 7	8) _____	_____	
9) Multiply line 8, column (b), by line 3		9) _____	
10) Add line 8, column (a), and line 9		10) _____	
11) Business expenses not from business use of home (see instructions)		11) _____	
12) Add lines 10 and 11			12) _____
13) Deduction limit. Subtract line 12 from line 4			13) _____
14) Excess mortgage interest	14) _____	_____	
15) Excess real estate taxes	15) _____	_____	
16) Insurance	16) _____	_____	
17) Rent	17) _____	_____	
18) Repairs and maintenance	18) _____	_____	
19) Utilities	19) _____	_____	
20) Other expenses	20) _____	_____	
21) Add lines 14 through 20	21) _____	_____	
22) Multiply line 21, column (b), by line 3		22) _____	
23) Carryover of operating expenses from prior year (see instructions)		23) _____	
24) Add line 21, column (a), line 22, and line 23			24) _____
25) Allowable operating expenses. Enter the smaller of line 13 or line 24			25) _____
26) Limit on excess casualty losses and depreciation. Subtract line 25 from line 13			26) _____
27) Excess casualty losses (see instructions)		27) _____	
28) Depreciation of your home from line 40 below		28) _____	
29) Carryover of excess casualty losses and depreciation from prior year (see instructions)		29) _____	
30) Add lines 27 through 29			30) _____
31) Allowable excess casualty losses and depreciation. Enter the smaller of line 26 or line 30			31) _____
32) Add lines 10, 25, and 31			32) _____
33) Casualty losses included on lines 10 and 31 (see instructions)			33) _____
34) Allowable expenses for business use of your home. (Subtract line 33 from line 32.) See instructions for where to enter on your return			34) _____
PART 3—Depreciation of Your Home			
35) Smaller of adjusted basis or fair market value of home (see instructions)			35) _____
36) Basis of land			36) _____
37) Basis of building (subtract line 36 from line 35)			37) _____
38) Business basis of building (multiply line 37 by line 3)			38) _____
39) Depreciation percentage (from applicable table or method)			39) _____ %
40) Depreciation allowable (multiply line 38 by line 39)			40) _____
PART 4—Carryover of Unallowed Expenses to Next Year			
41) Operating expenses. Subtract line 25 from line 24. If less than zero, enter -0-			41) _____
42) Excess casualty losses and depreciation. Subtract line 31 from line 30. If less than zero, enter -0-			42) _____

This page is intentionally left blank

Instructions for the Worksheet To Figure the Deduction for Business Use of Your Home

The Worksheet To Figure the Deduction for Business Use of Your Home is to be used by taxpayers filing Schedule F (Form 1040) or by partners with certain unreimbursed ordinary and necessary expenses if using actual expenses to figure the deduction. The following instructions explain how to complete each part of the worksheet.

Partners. See [Partners](#) under *Where To Deduct*, earlier, before completing the worksheet.



If you file Schedule C (Form 1040) and use actual expenses to figure your deduction, use Form 8829 instead of this worksheet.

Part 1—Part of Your Home Used for Business

Lines 1–3. If you figure the percentage based on area, use lines 1 through 3 to figure the business-use percentage. Enter the percentage on line 3.

You can use any other reasonable method that accurately reflects your business-use percentage. If you operate a daycare facility and you meet the exception to the exclusive use test for part or all of the area you use for business, you must figure the business-use percentage for that area as explained under [Daycare Facility](#), earlier. If you use another method to figure your business percentage, skip lines 1 and 2 and enter the percentage on line 3.

Part 2—Figure Your Allowable Deduction

Line 4. If you file Schedule F (Form 1040), enter your total gross income that is related

to the business use of your home. This would generally be the amount on line 9 of Schedule F (Form 1040).

Lines 5–7. Use lines 5, 6, and 7 for business use of the home expenses that would have been deductible as a personal expense if you had not used your home for business. These expenses include certain casualty losses, mortgage interest, and real estate taxes.

Taxpayers claiming the standard deduction. If you claim the standard deduction, you will not include any mortgage interest, or real estate taxes on lines 6 and 7; instead, you will claim the entire business use of the home portion of those expenses using lines 14 and 15. If you are not increasing your standard deduction by a net qualified disaster loss, then you will not include any casualty losses on line 5; instead, you will claim the entire business use of the home portion of your casualty losses on line 27. If you are filing Schedule A to increase your standard

deduction by a net qualified disaster loss, see [*Casualty losses reported on line 5*](#), later.



You may prefer to itemize your deductions on Schedule A to claim amounts on lines 5, 6, and 7, even if your total personal deductions are less than the standard deduction.

Casualty losses reported on line 5. Figure the amount to include in column (b) of line 5 as follows.

Step 1. Complete a worksheet version of Section A of Form 4684 treating all your casualty losses (and gains) as personal expenses. If you are itemizing your deductions, when completing line 17 of this worksheet version of Form 4684, enter 10% of your adjusted gross income excluding the gross income and deductions attributable to the business use of the home. Do not file this worksheet version of Form 4684; instead, keep it for your records. You will complete a

separate Form 4684 to attach to your return using only the personal portion of your casualty losses (and gains) for Section A.

Step 2. Include in column (b) of line 5 the loss amounts from lines 15 and 18 of this worksheet version of Form 4684 that are attributable to the home in which you conducted the business and are the result of a federally declared disaster. If you are claiming an increased standard deduction instead of itemizing your deductions, only use a net qualified disaster loss on line 15 of the worksheet version of Form 4684 for this Step 2.

See the instructions for line 33, later, for the business use of the home casualty losses that you must include in Section B of the separate Form 4684 you attach to your return.

Casualty losses reported on Schedule A.

Use only the personal portion of your casualty losses (and gains) when completing Section A of the separate Form 4684 you attach to your

return. The separate Form 4684 you attach to your return is used to figure the casualty losses you can include on line 15 of Schedule A and the net qualified disaster losses you can include on line 16 of Schedule A.

Excess casualty losses. See the instructions for line 27, later, to deduct the part of your casualty losses for business use of your home not allowed because of the limits on deducting casualty losses as a personal expense, including any losses that are not the result of a federally declared disaster.

Mortgage interest reported on line 6. If you are claiming the standard deduction, do not report an amount on line 6. If you itemize your deductions, figure the amount to include in column (b) of line 6 as follows.

Step 1. Treat all the mortgage interest you paid as a personal expense and figure the amount that would be deductible as an itemized deduction on Schedule A. See Pub.

936 for more information about figuring the home mortgage interest deduction and the limits that may apply.

Step 2. Include in column (b) of line 6 the amount of deductible mortgage interest figured in Step 1 that is attributable to the home in which you conducted the business. Because the limits on deducting mortgage interest as a personal expense are figured using all loans secured by your home(s), do not claim mortgage interest in column (a) as a direct expense, even if you use a separate structure in your home in connection with your trade or business.

Mortgage interest reported on Schedule

A. When you figure your itemized deduction for mortgage interest on Schedule A, include the following amounts of deductible mortgage interest that you figured in Step 1 to the extent they are not deducted on another form, such as Schedule E, as a rental expense.

- The amount of deductible mortgage interest you figured in Step 1 that is not attributable to the home in which you conducted the business.
- The personal portion of deductible mortgage interest you included in column (b) of line 6. For example, if your business percentage on line 3 is 30%, 70% of the amount you included in column (b) of line 6 is deductible as an itemized deduction on Schedule A.

Excess mortgage interest. See the instructions for line 14, later, to deduct the part of your mortgage interest from loans used to buy, build, or substantially improve the home in which you conducted business that is not allowed on line 6 because of the limits on deducting home mortgage interest as a personal expense.

Real estate taxes reported on line 7. If you are claiming the standard deduction, do

not report an amount on line 7. If you are itemizing deductions, figure the amount to include on line 7 as follows.

Step 1. If the total of your state and local income (or, if elected on your Schedule A, general sales) taxes, real estate taxes, and personal property taxes is not more than \$10,000 (\$5,000 if married filing separately), enter all the real estate taxes attributable to the home in which you conducted business in column (b) of line 7.

Step 2. If you do not meet the condition of Step 1, use the following worksheet to figure the amount to include in column (a) of line 7.

Line 7 Worksheet

1. Enter your state and local income taxes (or, if you elect on Schedule A, your state and local general sales taxes) that are personal expenses..... 1. _____

2. Enter all the state and local real estate taxes you paid on the home in which you conducted business..... 2. _____
3. Enter any other state and local real estate taxes you paid that are a personal expense and not included on line 2 3. _____
4. Enter your state and local personal property taxes that are a personal expense..... 4. _____
5. Add lines 1 through 4 5. _____
6. Multiply line 2 by the percentage on line 3 of the Worksheet To Figure the Deduction for Business Use of Your Home 6. _____

7. Subtract line 6 from line 5..... 7. _____

8. Subtract line 7 from \$10,000
(\$5,000 if married filing
separately). If zero or less,
enter -0-..... 8. _____

9. **Real estate taxes reported
on line 7.** Enter the smaller
of line 6 or line 8 here and in
column (a) of line 7 of the
Worksheet To Figure the
Deduction for Business Use of
Your Home..... 9. _____

10. **Excess real estate taxes
reported on line 15.**
Subtract line 9 from line 6 10. _____

***Real estate taxes reported on Schedule
A.*** When you figure your itemized deduction
for state and local taxes on Schedule A, only

include the personal portion of your real estate taxes on line 5b of Schedule A.

Excess real estate taxes. See the instructions for line 15, later, to deduct the part of your real estate taxes for the home in which you conducted business that is not allowed on line 7 because of the limitation on deducting state and local taxes as a personal expense.

Lines 9 and 10. Multiply your total indirect expenses (line 8, column (b)) by the business percentage from line 3. Enter the result on line 9. Add this amount to the total direct expenses (line 8, column (a)) and enter the total on line 10.

Lines 11–13. Enter any other business expenses that are not attributable to business use of the home on line 11. Farmers should generally enter their total farm expenses before deducting office-in-the-home expenses. Do not enter the deductible part of your self-employment tax. Add the amounts

on lines 10 and 11, and enter the total on line 12. Subtract line 12 from line 4, and enter the result on line 13. This is your deduction limit. You use it to determine whether you can deduct any of your other expenses for business use of the home this year. If you cannot, you will carry them over to the next year in which you use actual expenses to figure the deduction.

If line 13 is zero or less, enter -0-. Deduct your expenses for deductible home mortgage interest, real estate taxes, casualty losses, and any business expenses not attributable to use of your home on the appropriate lines of the schedule(s) for Form 1040 or Form 1040-SR, as explained earlier under [Where To Deduct](#).

Lines 14–23. On lines 14 through 20, enter your otherwise nondeductible expenses for the business use of your home. These include utilities, insurance, repairs, and maintenance. If you rent, report the amount paid on line

17. In column (a), enter the expenses that benefit only the business part of your home (direct expenses). In column (b), enter the expenses that benefit the entire home (indirect expenses). Multiply line 21, column (b), by the business-use percentage (line 3) and enter this amount on line 22.

If you deducted actual expenses for the business use of your home on your 2022 tax return, enter on line 23 the amount from line 41 of your 2022 worksheet. If you used the simplified method in 2022, enter on line 23 the amount from line 6a of your 2022 Simplified Method Worksheet.

Line 14—Excess home mortgage interest.

If you are claiming the standard deduction, enter all the home mortgage interest paid for loans used to buy, build, or substantially improve the home in which you conducted business in column (b) of line 14. Do not include mortgage interest on a loan that did not benefit your home (for example, a home

equity loan used to pay off credit card bills, to buy a car, or to pay tuition costs).

If you are itemizing deductions on Schedule A and the amount you figured in Step 1 under [Mortgage interest reported on line 6](#), earlier, was less than the full amount of interest you paid because of the limits on deducting home mortgage interest as a personal expense, include the excess attributable to the loans used to buy, build, or substantially improve the home in which you conducted business in column (b) of line 14.

Example. If you paid \$15,000 of home mortgage interest on loans used to buy, build, or substantially improve the home in which you conducted business but would only be able to deduct \$12,000 on Schedule A because of the limits that apply to deducting home mortgage interest as a personal expense, include \$3,000 ($\$15,000 - \$12,000 = \$3,000$) in column (b) of line 14.

Line 15—Excess real estate taxes. If you are claiming the standard deduction, enter all the real estate taxes paid on the home in which you conducted business in column (b) of line 15.

If you are itemizing deductions on Schedule A and you used the Line 7 Worksheet to figure the amount to include in column (a) of line 7, then include the amount from line 10 of the Line 7 Worksheet in column (a) of line 15 of the Worksheet to Figure the Deduction for Business Use of Your Home; otherwise do not enter an amount on line 15.

Lines 26–31. On lines 26 through 31, figure your limit on deductions for excess casualty losses and depreciation.

If you deducted actual expenses for business use of your home on your 2022 tax return, enter on line 29 the amount from line 42 of your 2022 worksheet. If you used the simplified method in 2022, enter on line 29

the amount from line 6b of your 2022 Simplified Method Worksheet.

Line 27—Excess casualty loss. Multiply the casualty losses attributable to the home in which you conducted business that are in excess of the amount reported on line 5 (if any) by the business percentage of those losses and enter the result.

Lines 32–34. On line 32, total all allowable business-use-of-the-home deductions.

On line 33, enter the total of the casualty losses shown on lines 10 and 31. Enter the amount from line 33 on line 27 of Form 4684, Section B. Attach a statement to your tax return showing how you calculated the deductible loss (you can use the worksheet as your attachment) and enter "See attached statement" above line 27 of Form 4684. See the Instructions for Form 4684 for more information on completing that form.

Line 34 is the total (other than casualty losses) allowable as a deduction for business use of your home. If you file Schedule F (Form 1040), enter this amount on line 32, Other expenses, of Schedule F (Form 1040) and enter "Business Use of Home" on the line beside the entry. Do not add the specific expenses into other line totals of Part II of Schedule F (Form 1040).

If you are a partner, see [*Where To Deduct*](#), earlier, for information on how to claim the deduction.

Part 3—Depreciation of Your Home

Figure your depreciation deduction on lines 35 through 40. On line 35, enter the smaller of the adjusted basis or the fair market value of the property at the time you first used it for business. Do not adjust this amount for changes in basis or value after that date. Allocate the basis between the land and the building on lines 36 and 37. You cannot

depreciate any part of the land. On line 39, enter the correct percentage for the current year from the tables in Pub. 946. Multiply this percentage by the business basis to get the depreciation deduction. Enter this figure on lines 40 and 28. Complete and attach Form 4562 to your return if this is the first year you used your home, or an improvement or addition to your home, in business.

Part 4—Carryover of Unallowed Expenses to Next Year

Complete these lines to figure the expenses that must be carried forward to the next year in which you use actual expenses.

Worksheets To Figure the Deduction for Business Use of Your Home (Simplified Method)

The Simplified Method Worksheet and the Daycare Facility Worksheet in this section are to be used by taxpayers filing Schedule F (Form 1040) or by partners with certain unreimbursed ordinary and necessary expenses if using the simplified method to figure the deduction. If you are filing Schedule C (Form 1040) to report a business use of your home in your trade or business and you are using the simplified method to figure the deduction, use the Simplified Method Worksheet and the Daycare Facility Worksheet in your Instructions for Schedule C for that business use.

The Area Adjustment Worksheet in this section may be used by any taxpayer using the simplified method to figure the deduction.

Simplified Method Worksheet

Use this worksheet if you file Schedule F (Form 1040) or you are a partner, and you are using the simplified method to figure your deduction for business use of the home. Use a separate worksheet for each qualified business use of your home.

This page is intentionally left blank

1. Enter the amount of the gross income limitation. See the <i>Instructions for the Simplified Method Worksheet</i>	1.	_____
2. Allowable square footage for the qualified business use. Do not enter more than 300 square feet. See the <i>Instructions for the Simplified Method Worksheet</i>	2.	_____
3. Simplified method amount		
a. Maximum allowable amount	3a.	\$5
b. For daycare facilities not used exclusively for business, enter the decimal amount from the Daycare Facility Worksheet; otherwise, enter 1.0	3b.	_____
c. Multiply line 3a by line 3b and enter result to 2 decimal places	3c.	_____
4. Multiply line 2 by line 3c	4.	_____
5. Allowable expenses using the simplified method. Enter the smaller of line 1 or line 4. If zero or less, enter -0-. See Where To Deduct , earlier, for where to enter this amount on your return	5.	_____
6. Carryover of unallowed expenses from a prior year that are not allowed in 2023.		
a. Operating expenses. Enter the amount, if any, from your last Worksheet To Figure the Deduction for Business Use of Your Home, line 41 (line 40 if before 2018). See the <i>Instructions for the Simplified Method Worksheet</i>	6a.	_____
b. Excess casualty losses and depreciation. Enter the amount, if any, from your last Worksheet To Figure the Deduction for Business Use of Your Home, line 42 (line 41 if before 2018). See the <i>Instructions for the Simplified Method Worksheet</i>	6b.	_____

Daycare Facility Worksheet (for simplified method)

1. Multiply days used for daycare during the year by hours used per day	1.	_____
2. Total hours available for use during the year. See the <i>Instructions for the Daycare Facility Worksheet</i>	2.	_____
3. Divide line 1 by line 2. Enter the result as a decimal amount here and on line 3b of the Simplified Method Worksheet	3.	_____

Area Adjustment Worksheet (for simplified method)

If you used the same area for your qualified business use for the entire year, complete only Part I; otherwise, skip Part I and complete Part II using lines 1 through 5 to help you figure the amount to enter for each month. All amounts reported on this worksheet must be in square feet.

Part I. Same area was used for the entire year.

- | | | |
|---|-----|-----|
| 1. Area used for this qualified business use | 1. | |
| 2. Shared use. Complete line 2 if someone else also used the home to conduct business that qualifies for the deduction; otherwise, enter 300 on line 2d and go to line 3. | | |
| a. Area not shared. Enter portion of line 1 that was not shared with another person's qualified business use of the home | 2a. | |
| b. Total area shared with another person's qualified business use. Subtract line 2a from line 1 | 2b. | |
| c. Reasonable allocation of shared area to this qualified business use | 2c. | |
| d. Add lines 2a and 2c | 2d. | |
| 3. Multiple qualified business uses. Complete line 3 if you used the home for more than one qualified business use; otherwise, enter 300 on line 3d and go to line 4. | | |
| a. Total area of home used for all your qualified business uses | 3a. | |
| b. Maximum area | 3b. | 300 |
| c. Enter the smaller of line 3a and 3b | 3c. | |
| d. Reasonable allocation of line 3c to this qualified business use | 3d. | |
| 4. Maximum area | 4. | 300 |
| 5. Enter the smaller of lines 1, 2d, 3d, and 4. Enter the result on line 2 of the Simplified Method Worksheet | 5. | |

Part II. Area changed during the year or was used for only part of the year.

6. Complete lines 6a through 6n if you used the area for this qualified business use for part of the year or the area used for this qualifying business use changed during the year.

(i) Month	Note. If your qualified business use was less than 15 days in a month, enter -0- in column (ii) for that month; otherwise, use lines 1 through 5 above for each month, and enter the amount you get for line 5 in column (ii) for that month.	(ii) Area
January	
February	
March	
April	
May	
June	
July	
August	
September	
October	
November	
December	

- m. Add lines 6a through 6l, column (ii) 6m. _____
- n. Average monthly allowable square footage. Divide line 6m by 12. Enter the result on line 2 of the Simplified Method Worksheet 6n. _____

Instructions for the Simplified Method Worksheet

If you are a partner or you file Schedule F (Form 1040), and you elected to use the simplified method, use the Simplified Method Worksheet. The following instructions explain how to complete this worksheet.

Partners. See [Partners](#) under *Where To Deduct*, earlier, before completing the Simplified Method Worksheet.

Use the Simplified Method Worksheet to figure the amount of expenses you may deduct for a qualified business use of a home if you are electing to use the simplified method for that home. If you are not electing to use the simplified method, use Form 8829 or the [Worksheet To Figure the Deduction for Business Use of Your Home](#), earlier, as appropriate.

Line 1. If all gross income from your trade or business is from this qualified business use of your home, figure your gross income limitation as follows.

- A. Enter the amount of gross income. If you file Schedule F (Form 1040), this amount would generally be the amount on line 9 of Schedule F _____
- B. Enter any gain derived from the business use of your home and shown on Form 8949 (and included on Schedule D) or Form 4797 _____
- C. Add lines A and B _____
- D. Business expenses not from business use of the home _____
- E. Enter the total amount of any losses (as a positive number) shown on Form 8949 (and included on Schedule D) or Form 4797 that are allocable to the business, but not allocable to the business use of the home _____
- F. Add lines D and E _____
- G. Gross income limitation. Subtract line F from line C. Enter the result here and on line 1 _____

If some of the income is from a place of business other than your home, you must first determine the part of your gross income from the business use of your home. In making this determination, consider the amount of time you spent at each location as well as other facts. After determining the part of your gross income from the business use of your home, subtract from that amount the total expenses and any losses that are allocable to the business in which you use your home but that are not allocable to the business use of the home.

Only include on line A the gross income from the business that is related to the business use of your home. Only include on line D and line E the deductible business expenses and losses that are related to the business activity in the home, but not related to the business use of the home itself.

Note. If you had more than one home in which you conducted this business during the year, include only the income earned and the deductions attributable to that income during the period you owned the home for which you elected to use the simplified method.

Line 2. If you used the same area for the entire year, enter the smaller of the square feet you actually used or 300. If you and your spouse conducted the business as a qualified joint venture, split the square feet between you and your spouse in the same manner you split your other tax attributes. If you shared space with someone else, used the home for business for only part of the year, or the area you used changed during the year, see [*Allowable area*](#) under *Using the Simplified Method*, earlier, before entering an amount on this line. Do not enter more than 300 square feet or, if applicable, the average monthly allowable square footage on this line. See [*Part-year use or area changes \(for simplified*](#)

[method only](#)) under *Using the Simplified Method*, earlier, for more information on how to figure your average monthly allowable square footage.

Line 3b. If your qualified business use is providing daycare, you may need to account for the time that you used the same part of your home for other purposes. If you used the part of your home exclusively and regularly for providing daycare, enter 1.0 on line 3b. If you did not use the part of your home exclusively for providing daycare, complete the [Daycare Facility Worksheet](#) to figure what number to enter on line 3b.

Line 6. Since you are using the simplified method this year, you cannot deduct the amounts you entered on lines 6a and 6b this year. If you figure your deduction for business use of the home using actual expenses next year, you will be able to include these expenses when you figure your deduction.

Line 6a. If you did not complete a 2022 Worksheet To Figure the Deduction for Business Use of Your Home, then your carryover of prior-year operating expenses is the amount of operating expenses shown in Part 4 of the last Worksheet To Figure the Deduction for Business Use of Your Home, if any, that you completed using actual expenses in order to claim a deduction for business use of the home as a partner or Schedule F filer.

Line 6b. If you did not complete a 2022 Worksheet To Figure the Deduction for Business Use of Your Home, then your carryover of prior-year excess casualty losses and depreciation is the amount of excess casualty losses and depreciation shown in Part 4 of the last Worksheet To Figure the Deduction for Business Use of Your Home, if any, that you completed using actual expenses to claim a deduction for business

use of the home as a partner or Schedule F filer.

Instructions for the Daycare Facility Worksheet

Use the Daycare Facility Worksheet to figure the percentage to use on line 3b of the Simplified Method Worksheet. If you do not use the area of your home exclusively for daycare, you must reduce the amount on line 3a before figuring your deduction using the simplified method.



If you used at least 300 square feet for daycare regularly and exclusively during the year, then you do not need to complete this worksheet. This worksheet is only needed if you did not use the allowable area exclusively for daycare.

Line 1. Enter the total number of hours the facility was used for daycare during the year.

Example. Your home is used Monday through Friday for 12 hours per day for 250 days during the year. It is also used on 50 Saturdays for 8 hours a day. Enter 3,400 hours on line 4 (3,000 hours for weekdays plus 400 hours for Saturdays).

Line 2. If you used your home for daycare during the entire year, multiply 365 days (366 for a leap year) by 24 hours, and enter the result.

If you started or stopped using your home for daycare during the year, you must prorate the number of hours based on the number of days the home was available for daycare. Multiply 24 hours by the number of days available and enter that result.

Instructions for the Area Adjustment Worksheet

Use the Area Adjustment Worksheet to figure the area that you may use to figure your deduction.

Line 2. If you and another person both used the home to conduct business that qualifies for the deduction, the same area cannot be used by both persons to figure the deduction.

Line 2c. With the other people using the home for qualified business use, determine a reasonable allocation of shared space to your qualified business use. Do not include area that is claimed by another person.

Line 3. If you used your home for more than one qualified business use, the total area that you can use to figure the deduction is still only 300 square feet, not 300 square feet per business use. You may allocate the square footage among your qualified business uses in any reasonable manner, but you may not allocate more square feet to a qualified business use than was actually used.

Line 3d. Allocate part of line 3c to this qualified business use. Do not allocate more square feet to this qualified business use than was actually used during the year. Do not

allocate any amount on line 3c to this qualified business use that you allocated to another qualified business use.

Line 6. If you only used the area for this qualified business use for part of the year or the area used for this qualifying business use changed during the year, then you need to figure the average monthly allowable square footage. To do this, use lines 1 through 5 of this worksheet for each month. For example, for January, complete lines 1 through 5 using the area and allocation information for January only; then, enter the result in line 6a, column (ii). If, in any month, you did not have 15 or more days of this qualified business use, enter -0 for that month. For example, if you did not begin using your home for this qualified business use until January 20, enter -0 in line 6a, column (ii).

How To Get Tax Help

If you have questions about a tax issue; need help preparing your tax return; or want to download free publications, forms, or instructions, go to [IRS.gov](https://www.irs.gov) to find resources that can help you right away.

Preparing and filing your tax return. After receiving all your wage and earnings statements (Forms W-2, W-2G, 1099-R, 1099-MISC, 1099-NEC, etc.); unemployment compensation statements (by mail or in a digital format) or other government payment statements (Form 1099-G); and interest, dividend, and retirement statements from banks and investment firms (Forms 1099), you have several options to choose from to prepare and file your tax return. You can prepare the tax return yourself, see if you qualify for free tax preparation, or hire a tax professional to prepare your return.

Free options for tax preparation. Your options for preparing and filing your return online or in your local community, if you qualify, include the following.

- **Free File.** This program lets you prepare and file your federal individual income tax return for free using software or Free File Fillable Forms. However, state tax preparation may not be available through Free File. Go to [IRS.gov/FreeFile](https://www.irs.gov/FreeFile) to see if you qualify for free online federal tax preparation, e-filing, and direct deposit or payment options.
- **VITA.** The Volunteer Income Tax Assistance (VITA) program offers free tax help to people with low-to-moderate incomes, persons with disabilities, and limited-English-speaking taxpayers who need help preparing their own tax returns. Go to [IRS.gov/ VITA](https://www.irs.gov/VITA), download the free IRS2Go app, or call 800-906-9887 for information on free tax return preparation.

- **TCE.** The Tax Counseling for the Elderly (TCE) program offers free tax help for all taxpayers, particularly those who are 60 years of age and older. TCE volunteers specialize in answering questions about pensions and retirement-related issues unique to seniors. Go to [IRS.gov/TCE](https://www.irs.gov/TCE) or download the free IRS2Go app for information on free tax return preparation.
- **MilTax.** Members of the U.S. Armed Forces and qualified veterans may use MilTax, a free tax service offered by the Department of Defense through Military OneSource. For more information, go to [MilitaryOneSource](https://www.MilitaryOneSource.com) ([MilitaryOneSource.mil/MilTax](https://www.MilitaryOneSource.com/MilTax)).

Also, the IRS offers Free Fillable Forms, which can be completed online and then e-filed regardless of income.

Using online tools to help prepare your return. Go to [IRS.gov/Tools](https://www.irs.gov/Tools) for the following.

- The [Earned Income Tax Credit Assistant](https://www.irs.gov/EITCAssistant) ([IRS.gov/ EITCAssistant](https://www.irs.gov/EITCAssistant)) determines if you're eligible for the earned income credit (EIC).
- The [Online EIN Application](https://www.irs.gov/EIN) ([IRS.gov/EIN](https://www.irs.gov/EIN)) helps you get an employer identification number (EIN) at no cost.
- The [Tax Withholding Estimator](https://www.irs.gov/W4App) ([IRS.gov/W4App](https://www.irs.gov/W4App)) makes it easier for you to estimate the federal income tax you want your employer to withhold from your paycheck. This is tax withholding. See how your withholding affects your refund, take-home pay, or tax due.
- The [First-Time Homebuyer Credit Account Look-up](https://www.irs.gov/HomeBuyer) ([IRS.gov/HomeBuyer](https://www.irs.gov/HomeBuyer)) tool provides information on your repayments and account balance.

- The [Sales Tax Deduction Calculator](#) ([IRS.gov/ SalesTax](#)) figures the amount you can claim if you itemize deductions on Schedule A (Form 1040).



Getting answers to your tax questions. On IRS.gov, you can get up-to-date information on current events and changes in tax law.

- [IRS.gov/Help](#): A variety of tools to help you get answers to some of the most common tax questions.
- [IRS.gov/ITA](#): The Interactive Tax Assistant, a tool that will ask you questions and, based on your input, provide answers on a number of tax topics.
- [IRS.gov/Forms](#): Find forms, instructions, and publications. You will find details on the most recent tax changes and interactive links to help you find answers to your questions.

- You may also be able to access tax information in your e-filing software.

Need someone to prepare your tax

return? There are various types of tax return preparers, including enrolled agents, certified public accountants (CPAs), accountants, and many others who don't have professional credentials. If you choose to have someone prepare your tax return, choose that preparer wisely. A paid tax preparer is:

- Primarily responsible for the overall substantive accuracy of your return,
- Required to sign the return, and
- Required to include their preparer tax identification number (PTIN).



Although the tax preparer always signs the return, you're ultimately responsible for providing all the information required for the preparer to accurately prepare your return and for the accuracy of every item reported on the

return. Anyone paid to prepare tax returns for others should have a thorough understanding of tax matters. For more information on how to choose a tax preparer, go to [Tips for Choosing a Tax Preparer](#) on IRS.gov.

Employers can register to use Business Services Online. The Social Security Administration (SSA) offers online service at [SSA.gov/employer](#) for fast, free, and secure W-2 filing options to CPAs, accountants, enrolled agents, and individuals who process Form W-2, Wage and Tax Statement, and Form W-2c, Corrected Wage and Tax Statement.

IRS social media. Go to [IRS.gov/SocialMedia](#) to see the various social media tools the IRS uses to share the latest information on tax changes, scam alerts, initiatives, products, and services. At the IRS, privacy and security are our highest priority. We use these tools to share public information with you. **Don't** post your social security number (SSN) or other

confidential information on social media sites. Always protect your identity when using any social networking site.

The following IRS YouTube channels provide short, informative videos on various tax-related topics in English, Spanish, and ASL.

- [Youtube.com/irsvideos](https://www.youtube.com/irsvideos).
- [Youtube.com/irsvideasmultilingua](https://www.youtube.com/irsvideasmultilingua).
- [Youtube.com/irsvideosASL](https://www.youtube.com/irsvideosASL).

Watching IRS videos. The IRS Video portal ([IRSVideos.gov](https://www.irs.gov/irs/videos)) contains video and audio presentations for individuals, small businesses, and tax professionals.

Online tax information in other languages. You can find information on [IRS.gov/MyLanguage](https://www.irs.gov/MyLanguage) if English isn't your native language.

Free Over-the-Phone Interpreter (OPI) Service. The IRS is committed to serving taxpayers with limited-English proficiency

(LEP) by offering OPI services. The OPI Service is a federally funded program and is available at Taxpayer Assistance Centers (TACs), most IRS offices, and every VITA/TCE tax return site. The OPI Service is accessible in more than 350 languages.

Accessibility Helpline available for taxpayers with disabilities. Taxpayers who need information about accessibility services can call 833-690-0598. The Accessibility Helpline can answer questions related to current and future accessibility products and services available in alternative media formats (for example, braille, large print, audio, etc.). The Accessibility Helpline does not have access to your IRS account. For help with tax law, refunds, or account-related issues, go to [IRS.gov/LetUsHelp](https://www.irs.gov/LetUsHelp).

Note. Form 9000, Alternative Media Preference, or Form 9000(SP) allows you to elect to receive certain types of written correspondence in the following formats.

- Standard Print.
- Large Print.
- Braille.
- Audio (MP3).
- Plain Text File (TXT).
- Braille Ready File (BRF).

Disasters. Go to [IRS.gov/DisasterRelief](https://www.irs.gov/DisasterRelief) to review the available disaster tax relief.

Getting tax forms and publications. Go to [IRS.gov/Forms](https://www.irs.gov/Forms) to view, download, or print all the forms, instructions, and publications you may need. Or, you can go to [IRS.gov/OrderForms](https://www.irs.gov/OrderForms) to place an order.

Getting tax publications and instructions in eBook format. Download and view most tax publications and instructions (including the Instructions for Form 1040) on mobile devices as eBooks at [IRS.gov/eBooks](https://www.irs.gov/eBooks).

IRS eBooks have been tested using Apple's iBooks for iPad. Our eBooks haven't been tested on other dedicated eBook readers, and eBook functionality may not operate as intended.

Access your online account (individual taxpayers only). Go to [IRS.gov/Account](https://irs.gov/Account) to securely access information about your federal tax account.

- View the amount you owe and a breakdown by tax year.
- See payment plan details or apply for a new payment plan.
- Make a payment or view 5 years of payment history and any pending or scheduled payments.
- Access your tax records, including key data from your most recent tax return, and transcripts.

- View digital copies of select notices from the IRS.
- Approve or reject authorization requests from tax professionals.
- View your address on file or manage your communication preferences.

Get a transcript of your return. With an online account, you can access a variety of information to help you during the filing season. You can get a transcript, review your most recently filed tax return, and get your adjusted gross income. Create or access your online account at [IRS.gov/Account](https://www.irs.gov/Account).

Tax Pro Account. This tool lets your tax professional submit an authorization request to access your individual taxpayer IRS online account. For more information, go to [IRS.gov/TaxProAccount](https://www.irs.gov/TaxProAccount).

Using direct deposit. The safest and easiest way to receive a tax refund is to e-file and

choose direct deposit, which securely and electronically transfers your refund directly into your financial account. Direct deposit also avoids the possibility that your check could be lost, stolen, destroyed, or returned undeliverable to the IRS. Eight in 10 taxpayers use direct deposit to receive their refunds. If you don't have a bank account, go to [IRS.gov/ DirectDeposit](https://www.irs.gov/directdeposit) for more information on where to find a bank or credit union that can open an account online.

Reporting and resolving your tax-related identity theft issues.

- Tax-related identity theft happens when someone steals your personal information to commit tax fraud. Your taxes can be affected if your SSN is used to file a fraudulent return or to claim a refund or credit.
- The IRS doesn't initiate contact with taxpayers by email, text messages

(including shortened links), telephone calls, or social media channels to request or verify personal or financial information. This includes requests for personal identification numbers (PINs), passwords, or similar information for credit cards, banks, or other financial accounts.

- Go to [IRS.gov/IdentityTheft](https://www.irs.gov/IdentityTheft), the IRS Identity Theft Central webpage, for information on identity theft and data security protection for taxpayers, tax professionals, and businesses. If your SSN has been lost or stolen or you suspect you're a victim of tax-related identity theft, you can learn what steps you should take.
- Get an Identity Protection PIN (IP PIN). IP PINs are six-digit numbers assigned to taxpayers to help prevent the misuse of their SSNs on fraudulent federal income tax returns. When you have an IP PIN, it prevents someone else from filing a tax

return with your SSN. To learn more, go to [IRS.gov/IPPIN](https://www.irs.gov/IPPIN).

Ways to check on the status of your refund.

- Go to [IRS.gov/Refunds](https://www.irs.gov/Refunds).
- Download the official IRS2Go app to your mobile device to check your refund status.
- Call the automated refund hotline at 800-829-1954.



The IRS can't issue refunds before mid-February for returns that claimed the EIC or the additional child tax credit (ACTC). This applies to the entire refund, not just the portion associated with these credits.

Making a tax payment. Payments of U.S. tax must be remitted to the IRS in U.S. dollars. [Digital assets](#) are **not** accepted. Go to [IRS.gov/Payments](https://www.irs.gov/Payments) for information on how to

make a payment using any of the following options.

- [*IRS Direct Pay*](#): Pay your individual tax bill or estimated tax payment directly from your checking or savings account at no cost to you.
- [*Debit Card, Credit Card, or Digital Wallet*](#): Choose an approved payment processor to pay online or by phone.
- [*Electronic Funds Withdrawal*](#): Schedule a payment when filing your federal taxes using tax return preparation software or through a tax professional.
- [*Electronic Federal Tax Payment System*](#): Best option for businesses. Enrollment is required.
- [*Check or Money Order*](#): Mail your payment to the address listed on the notice or instructions.

- [Cash](#): You may be able to pay your taxes with cash at a participating retail store.
- [Same-Day Wire](#): You may be able to do same-day wire from your financial institution. Contact your financial institution for availability, cost, and time frames.

Note. The IRS uses the latest encryption technology to ensure that the electronic payments you make online, by phone, or from a mobile device using the IRS2Go app are safe and secure. Paying electronically is quick, easy, and faster than mailing in a check or money order.

What if I can't pay now? Go to [IRS.gov/Payments](https://www.irs.gov/Payments) for more information about your options.

- Apply for an [online payment agreement \(IRS.gov/ OPA\)](https://www.irs.gov/OPA) to meet your tax obligation in monthly installments if you can't pay your taxes in full today. Once

you complete the online process, you will receive immediate notification of whether your agreement has been approved.

- Use the [Offer in Compromise Pre-Qualifier](#) to see if you can settle your tax debt for less than the full amount you owe. For more information on the Offer in Compromise program, go to [IRS.gov/OIC](#).

Filing an amended return. Go to [IRS.gov/Form1040X](#)

for information and updates.

Checking the status of your amended return. Go to [IRS.gov/WMAR](#) to track the status of Form 1040-X amended returns.



It can take up to 3 weeks from the date you filed your amended return for it to show up in our system, and processing it can take up to 16 weeks.

Understanding an IRS notice or letter you've received. Go to [IRS.gov/Notices](#) to

find additional information about responding to an IRS notice or letter.

Responding to an IRS notice or letter. You can now upload responses to all notices and letters using the Document Upload Tool. For notices that require additional action, taxpayers will be redirected appropriately on IRS.gov to take further action. To learn more about the tool, go to [IRS.gov/Upload](https://www.irs.gov/Upload).

Note. You can use Schedule LEP (Form 1040), Request for Change in Language Preference, to state a preference to receive notices, letters, or other written communications from the IRS in an alternative language. You may not immediately receive written communications in the requested language. The IRS's commitment to LEP taxpayers is part of a multi-year timeline that began providing translations in 2023. You will continue to receive communications, including notices and letters, in English until they are translated to your preferred language.

Contacting your local TAC. Keep in mind, many questions can be answered on IRS.gov without visiting a TAC. Go to [IRS.gov/LetUsHelp](https://www.irs.gov/LetUsHelp) for the topics people ask about most. If you still need help, TACs provide tax help when a tax issue can't be handled online or by phone. All TACs now provide service by appointment, so you'll know in advance that you can get the service you need without long wait times. Before you visit, go to [IRS.gov/TACLocator](https://www.irs.gov/TACLocator) to find the nearest TAC and to check hours, available services, and appointment options. Or, on the IRS2Go app, under the Stay Connected tab, choose the Contact Us option and click on "Local Offices."

The Taxpayer Advocate Service (TAS) Is Here To Help You

What Is TAS?

TAS is an ***independent*** organization within the IRS that helps taxpayers and protects taxpayer rights. TAS strives to ensure that every taxpayer is treated fairly and that you know and understand your rights under the [Taxpayer Bill of Rights](#).

How Can You Learn About Your Taxpayer Rights?

The Taxpayer Bill of Rights describes 10 basic rights that all taxpayers have when dealing with the IRS. Go to [TaxpayerAdvocate.IRS.gov](#) to help you understand what these rights mean to you and how they apply. These are ***your*** rights. Know them. Use them.

What Can TAS Do for You?

TAS can help you resolve problems that you can't resolve with the IRS. And their service is free. If you qualify for their assistance, you will be assigned to one advocate who will work with you throughout the process and will do everything possible to resolve your issue.

TAS can help you if:

- Your problem is causing financial difficulty for you, your family, or your business;
- You face (or your business is facing) an immediate threat of adverse action; or
- You've tried repeatedly to contact the IRS but no one has responded, or the IRS hasn't responded by the date promised.

How Can You Reach TAS?

TAS has offices [in every state, the District of Columbia, and Puerto Rico](#). To find your advocate's number:

- Go to TaxpayerAdvocate.IRS.gov/Contact-Us;
- Download Pub. 1546, The Taxpayer Advocate Service Is Your Voice at the IRS, available at IRS.gov/pub/irs-pdf/p1546.pdf;
- Call the IRS toll free at 800-TAX-FORM (800-829-3676) to order a copy of Pub. 1546;
- Check your local directory; or
- Call TAS toll free at 877-777-4778.

How Else Does TAS Help Taxpayers?

TAS works to resolve large-scale problems that affect many taxpayers. If you know of one of these broad issues, report it to TAS at IRS.gov/SAMS. Be sure to not include any personal taxpayer information.

Low Income Taxpayer Clinics (LITCs)

LITCs are independent from the IRS and TAS. LITCs represent individuals whose income is below a certain level and who need to resolve tax problems with the IRS. LITCs can represent taxpayers in audits, appeals, and tax collection disputes before the IRS and in court. In addition, LITCs can provide information about taxpayer rights and responsibilities in different languages for individuals who speak English as a second language. Services are offered for free or a small fee. For more information or to find an LTC near you, go to the LTC page at TaxpayerAdvocate.IRS.gov/LITC or see IRS Pub. 4134, [Low Income Taxpayer Clinic List](https://www.irs.gov/pub/irs-pdf/l4134.pdf), at [IRS.gov/pub/irs-pdf/ 4134.pdf](https://www.irs.gov/pub/irs-pdf/l4134.pdf).

This page is intentionally left blank

Exhibit A. Family Daycare Provider Meal and Snack Log

Name of Provider _____

Week of _____ Year _____



Keep For Your Records

Child's Name	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	Totals
	Hours of attendance: _____ <input type="checkbox"/> Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack	Hours of attendance: _____ <input type="checkbox"/> Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack	Hours of attendance: _____ <input type="checkbox"/> Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack	Hours of attendance: _____ <input type="checkbox"/> Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack	Hours of attendance: _____ <input type="checkbox"/> Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack	Hours of attendance: _____ <input type="checkbox"/> Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack	Hours of attendance: _____ <input type="checkbox"/> Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack	Number served: _____ Breakfasts: _____ Lunches: _____ Dinners: _____ Snacks: _____
	Hours of attendance: _____ <input type="checkbox"/> Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack	Hours of attendance: _____ <input type="checkbox"/> Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack	Hours of attendance: _____ <input type="checkbox"/> Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack	Hours of attendance: _____ <input type="checkbox"/> Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack	Hours of attendance: _____ <input type="checkbox"/> Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack	Hours of attendance: _____ <input type="checkbox"/> Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack	Hours of attendance: _____ <input type="checkbox"/> Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack	Number served: _____ Breakfasts: _____ Lunches: _____ Dinners: _____ Snacks: _____
	Hours of attendance: _____ <input type="checkbox"/> Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack	Hours of attendance: _____ <input type="checkbox"/> Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack	Hours of attendance: _____ <input type="checkbox"/> Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack	Hours of attendance: _____ <input type="checkbox"/> Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack	Hours of attendance: _____ <input type="checkbox"/> Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack	Hours of attendance: _____ <input type="checkbox"/> Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack	Hours of attendance: _____ <input type="checkbox"/> Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack	Number served: _____ Breakfasts: _____ Lunches: _____ Dinners: _____ Snacks: _____
	Hours of attendance: _____ <input type="checkbox"/> Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack	Hours of attendance: _____ <input type="checkbox"/> Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack	Hours of attendance: _____ <input type="checkbox"/> Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack	Hours of attendance: _____ <input type="checkbox"/> Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack	Hours of attendance: _____ <input type="checkbox"/> Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack	Hours of attendance: _____ <input type="checkbox"/> Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack	Hours of attendance: _____ <input type="checkbox"/> Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack	Number served: _____ Breakfasts: _____ Lunches: _____ Dinners: _____ Snacks: _____

This page is intentionally left blank

Index



To help us develop a more useful index, please let us know if you have ideas for index entries. See “Comments and Suggestions” in the “Introduction” for the ways you can reach us.

A

Adjusted basis defined [8](#)

Administrative or management activities
[4](#)

Assistance (See Tax help)

Attorneys [5](#)

B

Business expenses not for use of home
[19](#)

Business furniture and equipment [16](#)

Business percentage [9](#)

Business use of the home requirements
(See Qualifying for a deduction)

C

Carryover of unallowed expenses [9](#)

**Child and Adult Care Food Program
reimbursements** [13](#)

D

Daycare facilities [12](#)

Eligible children for standard meal and
snack rates [14](#)

Exceptions for regular use requirement [12](#)

Family daycare [14](#)

Meals [13](#), [14](#)

Regular basis [12](#)

Standard meal and snack rates [13](#), [14](#)

Deduction limit [9](#)

Deduction requirements:

Exceptions to exclusive use [3](#)

Exclusive use [3](#)

More than one trade or business [5](#)

Place to meet patients, clients, or
customers [5](#)

Principal place of business [3](#)

Regular use [3](#)

Separate structure [6](#)

Storage of inventory or product samples [3](#)

Trade or business use [3](#)

Deductions

Figuring 6, 21

Limit 9

Part-year use 6

Qualifying for 2

Unreimbursed partnership expenses 19

Using Actual Expenses 6

Dentists 5

Depreciation 16

5-year property 17

7-year property 17

Adjusted basis 8

Business furniture and equipment 16, 17

Fair market value 8

Figuring depreciation for the current year
8

Home 7

Nonresidential real property [8](#)

Percentage table for 39-year
nonresidential real property [8](#)

Percentage table for 5- and 7-year
property [17](#)

Permanent improvements [8](#), [9](#)

Depreciation of home [7](#)

Basis adjustment [15](#)

MACRS (Table 2) [8](#)

Property bought for business use [15](#)

Sale or exchange of your home [15](#)

Doctors [5](#)

E

Exclusive use [3](#)

Expenses:

Direct 6

Indirect 6

Insurance 7

Related to tax-exempt income 6

Rent 7

Repairs 7

Security system 7

Telephone 7

Unrelated 6

Utilities and services 7

Where to deduct 18

F

Fair market value 8

Family daycare providers 14

Meal and snack log (Exhibit A) 32

Standard meal and snack rates [14](#)

Figuring the deduction:

Business percentage [9](#)

Deduction limit [9](#)

Form [2](#), [18](#)

1040, Schedule F:

Worksheet [20](#)

4562 [16](#)

8829 [6](#), [9](#), [13](#)

H

Home:

Business percentage [9](#)

Depreciation [7](#)

Sale of [14](#)

Home expenses, Can you deduct business use of, Figure A 4

I

Improvements (See Permanent improvements)

Insurance 7

Inventory, storage of 3

L

Listed property:

Defined 16

Reporting and recordkeeping
requirements 16

Years following the year placed in service
16

M

MACRS percentage table:

39-year nonresidential real property [8](#)

5- and 7-year property [17](#)

Meals [13](#)

**Meeting with patients, clients, or
customers on premises** [5](#)

More than one place of business [10](#)

More than one trade or business [5](#)

More-than-50%-use test [16](#)

P

Partners [19](#)

Partnership expenses, unreimbursed [19](#)

Permanent improvements [8, 9](#)

Personal property converted to business use [17](#)

Place of business, more than one [10](#)

Principal place of business [3](#)

Product samples [3](#)

Property bought for business use:

Depreciation [17](#)

Section 179 deduction [16](#)

**Property converted to business use,
Personal** [17](#)

Publications [2](#)

Q

Qualifying for a deduction [2](#)

R

Recordkeeping [17](#)

Regular use [3](#)

Reminders [1](#)

Rent [7](#)

Repairs [7](#)

Reporting and recordkeeping requirements [16](#)

Meal and snack log (Exhibit A) [32](#)

Reporting requirements:

Business furniture and equipment [16](#)

S

Sale or exchange of your home [14](#)

Basis adjustment [15](#)

Depreciation [15](#)

Ownership and use tests [14](#)

Schedule F (See Worksheet to figure the deduction)

Section 179 [16](#)

Business furniture and equipment [16](#)

Listed property [16](#)

Personal property converted to business use [17](#)

Property bought for business use [16](#)

Security system [7](#)

Self-employed persons:

Deduction of expenses [18](#)

Separate structure [6](#)

Simplified Method:

Actual expenses and depreciation of your home [10](#)

Allowable area [11](#)

Business expenses not related to use of the home [12](#)

Electing the simplified method [10](#)

More than one home [11](#)

More than one qualified business use [10](#)

Shared use [10](#)

Expenses deductible without regard to business use [10](#)

No deduction of carryover of unallowed expenses [10](#)

Part-year use or area changes [11](#)

Simplified amount [11](#)

Space used regularly for daycare [12](#)

Using the simplified method [10](#)

Standard meal and snack rates [14](#)

Storage of inventory or product samples
[3](#)

T

Tables and figures:

MACRS:

Percentage table for 39-year
nonresidential real property (Table
2) [8](#)

Percentage table for 5- and 7-year
property (Table 4) [17](#)

Qualifying for deduction (Figure A) [4](#)

Standard meal and snack rates (Table
3) [14](#)

Types of expenses (Table 1) [6](#)

Tax help [27](#)

Telephone [7](#)

Trade or business use [3](#)

Types of expenses [6](#)

U

Utilities [7](#)

W

Where to deduct expenses [18](#)

Self-employed [18](#)

Worksheets:

Area Adjustment Worksheet (for simplified method) [25](#)

Worksheet to figure the deduction for business use of your home [20](#)

Worksheets to figure the deduction for business use of your home (simplified method) [23](#)

Daycare facility worksheet (for simplified method) [24](#)

Simplified method worksheet [24](#)

This page is intentionally left blank