Form **8829**

Department of the Treasury
Internal Revenue Service (99)

Expenses for Business Use of Your Home

▶ **File only with Schedule C (Form 1040). Use a separate Form 8829 for each home you used for business during the year.**

▶ **See separate instructions.**

OMB No. 1545-0074

2007

Attachment Sequence No. **66**

Name(s) of proprietor(s)

Your social security number

Part I Part of Your Home Used for Business

1	Area used regularly and exclusively for business, regularly for daycare, or for storage of inventory or product samples (see instructions)	1	
2	Total area of home	2	
3	Divide line 1 by line 2. Enter the result as a percentage	3	%

For daycare facilities not used exclusively for business, go to line 4. All others go to line 7.

4	Multiply days used for daycare during year by hours used per day	4	hr.
5	Total hours available for use during the year (365 days × 24 hours) (see instructions)	5	8,760 hr.
6	Divide line 4 by line 5. Enter the result as a decimal amount	6	.
7	Business percentage. For daycare facilities not used exclusively for business, multiply line 6 by line 3 (enter the result as a percentage). All others, enter the amount from line 3 ▶	7	%

Part II Figure Your Allowable Deduction

8	Enter the amount from Schedule C, line 29, **plus** any net gain or (loss) derived from the business use of your home and shown on Schedule D or Form 4797. If more than one place of business, see instructions					8	

See instructions for columns (a) and (b) before completing lines 9–21.

			(a) Direct expenses		(b) Indirect expenses			
9	Casualty losses (see instructions)	9						
10	Deductible mortgage interest (see instructions)	10						
11	Real estate taxes (see instructions)	11						
12	Add lines 9, 10, and 11	12						
13	Multiply line 12, column (b) by line 7			13				
14	Add line 12, column (a) and line 13						14	
15	Subtract line 14 from line 8. If zero or less, enter -0-						15	
16	Excess mortgage interest (see instructions)	16						
17	Insurance	17						
18	Rent	18						
19	Repairs and maintenance	19						
20	Utilities	20						
21	Other expenses (see instructions)	21						
22	Add lines 16 through 21	22						
23	Multiply line 22, column (b) by line 7			23				
24	Carryover of operating expenses from 2006 Form 8829, line 42			24				
25	Add line 22 in column (a), line 23, and line 24						25	
26	Allowable operating expenses. Enter the **smaller** of line 15 or line 25						26	
27	Limit on excess casualty losses and depreciation. Subtract line 26 from line 15						27	
28	Excess casualty losses (see instructions)			28				
29	Depreciation of your home from Part III below			29				
30	Carryover of excess casualty losses and depreciation from 2006 Form 8829, line 43			30				
31	Add lines 28 through 30						31	
32	Allowable excess casualty losses and depreciation. Enter the **smaller** of line 27 or line 31						32	
33	Add lines 14, 26, and 32						33	
34	Casualty loss portion, if any, from lines 14 and 32. Carry amount to **Form 4684,** Section B						34	
35	Allowable expenses for business use of your home. Subtract line 34 from line 33. Enter here and on Schedule C, line 30. If your home was used for more than one business, see instructions ▶						35	

Part III Depreciation of Your Home

36	Enter the **smaller** of your home's adjusted basis or its fair market value (see instructions)	36		
37	Value of land included on line 36	37		
38	Basis of building. Subtract line 37 from line 36	38		
39	Business basis of building. Multiply line 38 by line 7	39		
40	Depreciation percentage (see instructions)	40		%
41	Depreciation allowable (see instructions). Multiply line 39 by line 40. Enter here and on line 29 above	41		

Part IV Carryover of Unallowed Expenses to 2008

42	Operating expenses. Subtract line 26 from line 25. If less than zero, enter -0-	42		
43	Excess casualty losses and depreciation. Subtract line 32 from line 31. If less than zero, enter -0-	43		

Printed on recycled paper