

NAME:

HM REVENUE & CUSTOMS GUIDELINES – USE OF HOME AS OFFICE

Simplified Expenses Rules

Where a home is used partly for business purposes, the simplified expenses rules allow a fixed flat rate deduction for household running costs on heat, light, power, telephone and broadband and internet costs.

The deduction is based on the number of hours spent wholly and exclusively on core business activities in the home, and is only available if these hours exceed 25 per month.

Core business activities comprise:

- Providing goods and/or services
- Maintaining business records
- Marketing and obtaining new business

The fixed flat rates are:

Number of hours worked	Flat rate per month
25 or more	£10
51 or more	£18
101 or more	£26

Please advise below the number of hours a day that you work from home on core business duties:

<input type="text"/>	Hours per day
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Use of the simplified expenses rules is optional but recommended.

Fixed Costs

Use of the simplified expenses rules for heat, light, power, telephone and internet/broadband does not prohibit a separate deduction **for fixed costs** such as insurance, council tax (or domestic rates in Northern Ireland) and mortgage interest, where an identifiable proportion can be attributed to business use.

Could you please complete the following questionnaire with your **fixed costs** for the tax year 6 April 2014 to 5 April 2015:

Fixed costs	£
House and contents insurance	
Council tax	
Mortgage interest** or rent	
Total fixed costs	<u> </u> <u> </u>
(** excluding interest that does not relate to the original purchase of the property)	

Please circle approximately the percentage of room in which you do most of your self-employed work, out of the total area of your house:

5%	10%	15%	20%	25%	30%	35%	40%	45%	50%
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PLEASE RETURN THE COMPLETED QUESTIONNAIRE FOR THE ATTENTION OF CHERYLIN BROOKER AS SOON AS POSSIBLE.