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Work-space-in-the-home expenses

You can deduct expenses you paid in 2012 for the employment use of a work space in your home, as long as you meet **one** of the following conditions:

- The work space is where you mainly (more than 50% of the time) do your work.
- You use the workspace only to earn your employment income. You also have to use it on a regular and continuous basis for meeting clients or customers.

Keep with your records a copy of [Form T2200, Declaration of Conditions of Employment](#), which has been completed and signed by your employer.

You can deduct the part of your costs that relates to your work space, such as the cost of electricity, heating, maintenance, property taxes, and home insurance. However, you **cannot** deduct mortgage interest or capital cost allowance.

To calculate the percentage of work-space-in-the-home expenses you can deduct, use a reasonable basis, such as the area of the work space divided by the total finished area (including hallways, bathrooms, kitchens, etc.). For maintenance costs, it may not be appropriate to use a percentage of these costs. For example, if the expenses you paid (such as cleaning materials or paint) were to maintain a part of the house that was not used as a work space, then you cannot deduct any part of them. Alternatively, if the expenses you paid were to maintain the work space **only**, then you may be able to deduct all or most of them.

If your office space is in a rented house or apartment where you live, deduct the percentage of the rent and any maintenance costs you paid that relate to the work space.

The amount you can deduct for work-space-in-the-home expenses is limited to the amount of employment income remaining after all other employment expenses have been deducted. This means that you cannot use work space expenses to create or increase a loss from employment.

You can only deduct work space expenses from the income to which the expenses relate, and not from any other income.

If you cannot deduct all your work space expenses in the year, you can carry forward the expenses. You can deduct these expenses in the following year as long as you are reporting income from the same employer. However, you cannot create or increase a loss from employment by carrying forward work space expenses.

Completing your tax return

Complete the "Calculation of work-space-in-the-home expenses" portion of [Form T777, Statement of Employment Expenses](#).

Enter the **lower** amount of line 24 or 25 of Form T777 at **line 9945**.

Enter on **line 229**, the allowable amount of your employment expenses from the **total expenses** line of **Form T777**.

Forms and publications

- [Form T777, Statement of Employment Expenses](#)
- [IT352, Employee's Expenses, Including Work Space in Home Expenses](#)

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[See next page for break down of expenses.](#)