

TELECOMMUTING EMPLOYEES TAX WORKSHEET

EQUIPMENT EXPENSES

Record separately from other supplies the costs of business assets that are expected to last longer than one year and cost more than \$100. Normally, the costs of such assets are recovered differently on your tax return than are other recurring, everyday business expenses like business cards, office supplies etc.

TELEPHONE EXPENSES

The basic local telephone service costs of the first telephone line provided in your residence are not deductible. However, toll calls from that line are deductible if the calls are business-related. The costs (basic fee and toll calls) of a second line in your home are also deductible if the line is used exclusively for business.

PROFESSIONAL FEES & DUES

Dues paid to professional societies related to your profession are deductible. However, the cost of initial admission fees paid for membership in certain organizations or social clubs are considered capital expenses.

SUPPLIES & EXPENSES

Generally, to be deductible, items must be ordinary and necessary costs in your profession and not reimbursable by your employer.

CONTINUING EDUCATION

Educational expenses can now be used for a variety of deductions and under certain circumstances qualify for tax credits. Care must be exercised in keeping the various expenses separated by type, since not all expenses are allowed for certain deductions and credits.

AUTO TRAVEL

Your auto expense is based on the number of qualified business miles you drive. If you qualify for the home office deduction, your home becomes your primary business location, and you will not have any nondeductible commuting travel. Therefore, generally all of your business travel from home to other business locations and meetings will be deductible

Document business miles in a record book as follows: (1) give the date and business purpose of each trip; (2) note the place to which you traveled; (3) record the number of business miles; and (4) record your car's odometer reading at both the beginning and end of the tax year. Keep receipts for all car operating expenses-gas, oil, repairs, insurance etc. and of any reimbursement you received for your expenses.

HOME OFFICE DEDUCTION

A home office that is part of a residence is deductible only if used regularly and exclusively as a principal place of business, or as a place to meet or deal with customers or clients in the ordinary course of business. Generally, telecommuting employees would meet the "principal place of business" test, i.e., the location where you spend the majority of your time performing your work activities. Additionally, telecommuting employees must meet the "convenience of the employer" test. That test is met if your employer asks you to work out of your home.

OUT-OF-TOWN TRAVEL

Expenses accrued when traveling away from "home" overnight on job-related and continuing education trips are deductible. Your "home" is generally considered to be the entire city or general area where your principal place of employment is located. Out-of-town expenses include transportation, meals, lodging, tips and miscellaneous items like laundry, valet etc.

Document away-from-home expenses by noting the date, destination and business purpose of your trip. Record business miles if you drove to the out-of-town location. In addition, keep a detailed record of your expenses - lodging, public transportation, meals etc. Always list meals and lodging separately in your records. Receipts must be retained for each lodging expense. However, if any other business expense is less than \$75, a receipt is not necessary if you record all of the information in a timely diary. You must keep track of the full amount of meal and entertainment expenses, even though only a portion of the amount may be deductible.

The information provided in this brochure is an abbreviated summary of the rules for the job-related expenses applicable to telecommuting employees. For additional details as to specific business expenses, the records required and the various governmental regulations, consult the firm providing this brochure.

EQUIPMENT PURCHASES		AUTO TRAVEL		HOME OFFICE DEDUCTION		
Answering Machine		Meetings (mi)		Total Square Feet of Home		
Calculator		Continuing Education (mi)		Business Area of Home		
Copy Machine		Out-of-Town Business Trips (mi)		Business Hours (Total for Year)		
Fax Machine		Parking Fees (\$)		Home Mortgage Interest		
Pager		Tolls (\$)		Property Taxes		
Telephone		Other:		Insurance		
Computer Equipment		PROFESSIONAL FEES & DUES		Rents		
Desk & Chair		Association Dues		Homeowners/Condo Association		
Cell Phone		License		Allocated Expenses*	Direct	Indirect
File Cabinets		Union Dues		Utilities – Cable		
Furnishings		Credentials		Electric		
Recorder		Professional Associations		Gas		
Shredder		Other:		Water		
Other:		SUPPLIES & EXPENSES		Other:		
COMMUNICATION		Briefcase		Cleaning Service		
Cellular Service		Business Meals (100% of Expenses)		Maintenance		
Fax Transmission/Line		Business Cards		Painting		
Internet Service		Clerical Service		Repairs – Exterior		
Paging Service		Computer Software		Repairs – Interior		
Pay Phone		Computer Supplies		Trash Service		
Second (Business Line)		Customer Lists		Other:		
Toll Calls		Entertainment (100% of expense)		Other:		
Other:		Equipment Repair		CONTINUING EDUCATION		
OUT-OF-TOWN TRAVEL		FAX Supplies		Correspondence Course Fees		
Airfare		Gifts		Course Registration		
Bridge & Highway Tolls		Greeting Cards		Materials & Supplies		
Bus & Subway		Legal & Professional Services		Photocopy Expenses		
Car Rental		Office Expenses		Reference Materials		
Laundry		Photocopy Expenses		Seminar Fees		
Lodging (do not combine with meals)		Postage		Text Books		
Meals (do not combine with lodging)		Shipping		Other:		
Parking		Stationary		Other:		
Porter, Bell Captain		Technical Publications		Other:		
Taxi		Other:		Other:		
Telephone		Notes:				
Train						
Other:						

*Expenses related to your home office can either be direct or indirect expenses. Direct expenses are those which can be directly allocated to your business, such as a separate phone line or Internet connection exclusively for your business. Indirect expenses are those that are allocated to the entire house, such as electric, gas, and water expenses.