

TIP OF THE MONTH - USING YOUR HOME FOR BUSINESS?

We always look to maximise clients' tax breaks if you use your home for business, as they can be considerable. For example, if there is non-exclusive business use of a room in your home, there is a claim which can be made for a proportion of the running costs; this does not automatically result in a restriction to the valuable CGT exemption on sale of the main private residence. This is because a claim for, say, 90% business use of one room means that the room was not used exclusively for business purposes and accordingly no loss of CGT relief applies.

Sometimes it is simpler to make an expenses claim based on a round-sum allowance for the general business use of the home, which would certainly eliminate any restriction of the CGT exemption. If you are an employee or director and have to work from home, it is safer and a lot easier to claim £4 per week, for which no records of actual expense are required.

If you would like to have a no obligation chat about how this works for you, please contact us.