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Shared Use (Work/Business vs Personal)

CRA will no longer accept Percent of Use estimates for shared use items (Automobiles, Office in the Home) if they review your return.

Automobile

You can deduct motor vehicle expenses only when they are reasonable and you have receipts to support them. Record the odometer reading of each vehicle at the start and end of the year. If you change motor vehicles during the year, record the dates of the changes and the odometer readings when you buy, sell, or trade the vehicles.

For each business trip, list the date, destination, purpose/client, and number of kilometres you drove. If you use more than one motor vehicle for your business, keep a separate record for each vehicle that shows the total and business kilometres you drive, as well as the costs to operate and maintain that vehicle.

Home Office – Both Employees and Self Employed

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

- **it is your principal (greater than 50%) place of business (This requirement is met if a segregated area, such as a room or rooms, are used in a business and for no other purpose; or**
- **you use the space to earn your income, and you use it on a regular and ongoing basis to meet your clients, customers, or patients.**

To calculate the part you can deduct, use a reasonable basis such as the area of the work space divided by the total finished area of your home (including hallways, bathrooms, kitchens, etc.). If you use part of your home for both your business and personal living, calculate how many hours in the day you use the rooms for your business, and then divide that amount by 24 hours and if not used every day, calculate the days used divided by days in the period.

Example: *Monique runs a business in her home weekdays from 7:00 a.m. to 5:00 p.m. (10 hours out of a 24-hour day). The business uses an area of 35 square meters the house is 100 square meters. Her % of use would be (10/24 hours × 35/100 meters × 5/7 days = 10.4%).*