HOME OFFICE

Your studio is a write-off

Film, edit & run the channel from home? That room can cut your tax bill — if you're self-employed and play by **two rules.**

WHO ACTUALLY QUALIFIES

The home office is a business deduction — not everyone can take it

SELF-EMPLOYED
1099 · Schedule C · creators

W-2 EMPLOYEE
even fully remote — no deduction

PASS BOTH TESTS

The space must clear both use tests — and be your main workplace

Regular use
Used for the business on a continuing basis — not just now and then.

Exclusive use
Business-ONLY space — no TV nights, no guest bed, no kids' homework.

Principal place
Where you do the real admin — editing, scheduling, invoicing, email.

TWO WAYS TO CLAIM IT

Run the numbers both ways — you take whichever is bigger

SIMPLIFIED
no forms · no tracking · no depreciation

$5 / sq ft
× up to 300 sq ft of office
= $1,500 max

REGULAR (actual)
a share of your real home costs · Form 8829

office ÷ whole home = your %

× rent, utilities, insurance, repairs & depreciation

usually much bigger →

$1,500 is the easy number — the bigger one takes work. →
Next: which method wins, and the traps that bite creators.

Source: IRS Pub. 587 · Simplified option (Rev. Proc. 2013-13) · educational content, not individualized tax advice

HOME OFFICE

Bigger write-off, more paperwork

Simplified is fast and audit-quiet. The regular method usually pays more — **especially if you rent.** Watch it play out.

1 Which method wins

A creator who rents — same room, two very different deductions:

150 sq ft studio ÷ 1,200 sq ft home = 12.5% business use

Year's home costs: $30,000 rent + $3,000 utilities & insurance = $33,000

SIMPLIFIED · 150 sq ft × $5

$750

REGULAR · 12.5% × $33,000

$4,125

Same room, same rules — the regular method returns **5.5× more.**

2 One hard limit

The deduction is tied to what the business actually earned:

Never bigger than your profit

The home office can't create — or deepen — a business loss.
Regular method carries the excess forward; simplified loses it.

MIND THE TRAPS

- **Mixed-use kills it.** Film where you also relax and the whole space fails the exclusive-use test — carve out a business-only zone.
- **Day-job trap.** Remote W-2 work in that room can break exclusive use for your creator business — keep the employer's work out of it.
- **Depreciation recapture.** Depreciate the home (regular method) and up to 25% of it comes back as tax when you sell — simplified avoids this.

THE BOTTOM LINE

Measure the room, keep it business-only, and run **both methods.**
Renters especially — the regular method can win by **thousands.**

Source: IRS Pub. 587 · Form 8829 · figures illustrative · educational content, not individualized tax advice