

Exclusive Use Rooms and the Time-Space Percentage

Exclusive use means a room is not used for personal use in the evenings or on weekends.

Family child care providers who use one or more rooms in their home exclusively for their business should use this formula:

$$\begin{array}{l} \text{Space Percent of} \\ \text{exclusive use rooms} \end{array} + \begin{array}{l} \text{Time/Space Percentage} \\ \text{of rest of home} \end{array} = \begin{array}{l} \text{Time/Space Percentage of} \\ \text{of entire home} \end{array}$$

Let's use an example of a home with 2,000 square feet: one room of 200 square feet used 100% for business and the remaining 1,800 square feet used regularly for business use and personal use. The Time percent is 40%.

Step One: Divide the square feet of the exclusive use space by the total square feet.

$$\frac{200}{2,000} = 10\% \text{ Space for exclusive use space}$$

Step Two: Divide the square feet of the space used for regular business use by the total square feet.

$$\frac{1,800}{2,000} = 90\% \text{ Space for rest of home}$$

Step Three: Multiply the percent from Step Two by the Time percent.

$$90\% \times 40\% = 36\% \text{ Time-Space Percentage for rest of home}$$

Step Four: Add the percent from Step One with the percent from Step Three.

$$10\% + 36\% = 46\% \text{ Time-Space Percentage for entire home}$$

Notice that without this exclusive use room the Time-Space percentage would have been only 40% (40% Time x 100% Space). See instructions to Form 8829 Expenses for Business Use of Your Home or the latest *Family Child Care Tax Workbook and Organizer* at www.redleafpress.org or 1-800-423-8309.

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