

You may pay more money if you work at home

Business Page

Computers and fax machines are blurring the line between home and workplace, employee and self-employed. As a result, people who work at home may be shouldering more expenses and paying more taxes than they ought to.

If you are self-employed, you can deduct the expense of having an office in your own home, says Jennifer Cho, tax specialist at Deloitte and Touche. Who is self-employed and who is not is a matter of contention.

If you are an employee who works at home, the situation is murkier. You must get your employer to fill in a form saying you are required to keep an office in your own home. If your employer refuses, you cannot deduct the expenses.

The form, Revenue Canada T2200, Declaration of Conditions of Employment, is available at your district taxation office.

Not everyone can do this. If you own your own home, you are not entitled to the deduction, a recent court case indicates. The Income Tax Act allows you to deduct a portion of rent, not of your mortgage payments or rental payments to yourself, columnist George Brett points out in *The Toronto Star*.

LIBERAL RENT

For example, a person with a five-room apartment, one room of which is an office, can deduct one-fifth of his rent as a business expense. The proportion may also be based on square footage, Ms. Cho says.

A Deloitte and Touche newsletter explains: "The Federal Court, Trial Division, has ruled that the world 'rent' must be interpreted in its most literal sense; that is, there must be a landlord and tenant relationship."

People who have claimed the deduction in recent years may have their returns reassessed, Deloitte cautions. Revenue Canada "also will likely be more aggressive in auditing these claims in the future."

You may still want to make the claim, Mr. Brett says. If the court's decision is overturned on appeal, "your right to the deduction for 1989 will be strengthened if you claim it now, have it rejected and then file a notice of objection."

The risk is that the court's deci-

sion will be upheld and you will have to pay the money, plus interest at 15 per cent calculated daily, Mr. Brett notes.

I'd see a tax lawyer or an accountant before deciding what to do.

You may also need an expert's advice to determine whether you are self-employed. Self-employed people enjoy more deductions than do employees. The rules are not black and white.

Generally speaking, the degree to which you determine where and when you work is the key measure. If your employer requires you to do certain things at a certain time in a certain place, you are an employee. If not, you may be self-employed.

It depends on your terms of



Diane Maley

Your Business
Toronto News Service

employment, Ms. Cho notes. Unfortunately, many people do not have these terms spelled out in an employment contract.

For employees who own their own homes, all is not lost, Mr. Brett says. If you work at home, you may still be able to deduct a portion of your maintenance costs - fuel, light bulbs, electricity, cleaning supplies and minor repairs.

You cannot deduct mortgage interest, property taxes or insurance payments.

Hobby Horse is scene for new rec programs

The newly renovated Hobby Horse in Glen Williams is the location for three new Halton Hills Recreation and Parks Department programs. Two one evening workshops in Stencilling for youth and one for adults are being offered in the next couple of weeks.

Children will be able to create something special that they'll be proud to say "I made it." The course for them is Thursday, March 29, 5 to 6:30 p.m. and it is for six to 10 year olds.

Adults too can participate in a stencilling workshop on Wednesday, April 4, 7 to 9:30 p.m. They

will discover this fascinating decorative technique for any fabric, wood piece or wall in the home.

After you have decorated your wall, why not hang your own home made quilt? In just three evenings you will learn the fundamentals in creating a quilt. Course is offered Wednesday, March 28 and April 11, 7 to 9:30 p.m.

Samples of all projects are on display at the Recreation and Parks Department. For more information, call 873-2600 ext. 268 today.

Board of education wants recyclable cups

Schools in Halton will stop using styrofoam cups and containers by Oct. 1.

The Halton Board of Education passed a policy March 22 that will replace the styrofoam products.

The first move will be the end of use to the styrofoam cups and containers at the J.W. Singleton Centre, the home of the Halton Board of Education, by June 1.

The policy, presented by Oakville trustee Judy Watson, faced little opposition.

Halton Hills trustee Dick Howitt stated his concerns about the possible costs involved in the change. He asked the board to refer the policy to the administration department until they could work out the total costs involved.

"If we delay (the policy) six weeks, we'll delay it six months,"

Ms. Watson argued.

She said the dates given in the policy are the dates the supplies of styrofoam products will run out.

While Ms. Watson agrees the policy is only a small step, she notes it is still a step toward a full recycling policy.

If McDonald's and Harveys, two well-known fast food chains, can change quickly under public pressure, so can the board, she said.

"We are a major consumer in this area," she said. The board must provide leadership for the students, Ms. Watson added.

She added the policy is "not simply a fashion statement" or a "fad" and is not a question of the board developing a product by themselves.

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