



Day Home Information

A-1 Accounting & Business Solutions Inc/Calgary EZ Tax

Phone: 403-226-8297 or 403-452-3032



Some expenses that are 100% business related are fully deductible from your income.

In the case of a daycare this could include:

- hygienic supplies (toilet paper, paper towels, cleaning supplies)
- toys
- arts and craft supplies
- Additional liability insurance
- Wages

Some larger items can be considered as capital expenses. These can be depreciated and a portion of the cost can be claimed each year:

- Furniture purchased specifically for the business
- Computers/office equipment
- Outside playground equipment

MEALS: Keep the cost of food purchased for the dayhome separate from your family's purchases.

You should keep track of the meals and snacks that you provide to the children. Once you have an average cost of a lunch, snack, etc from your receipts you can use an average to calculate these costs. Receipts will help you to determine what is reasonable in your case. These expenses are 100% deductible.

HOME EXPENSES: You can claim expenses related to your home such as utilities, property taxes, insurance and mortgage interest, in proportion to the percentage of your home used for the day home. Your house is your place of business AND your personal home so all those expenses must be prorated.

For shared space equations for home childcare, use the following guide for calculations:

$(\text{square footage used for business} \div \text{square footage of your total home}) \times (\text{number of hours open for business} \div 24 \text{ hours in a day}) \times (\text{number of days business is run} \div 365) = \% \text{ of business use}$

VEHICLE: Automobile expenses are determined by adding up all the cost of your vehicle that year from the gas used, insurance, repairs and maintenance, registration and renewal of your plates and so forth and then determining that your business use was over your personal use by logging your trips for business to track your percentage.

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