

Employee Expenses - Office In Home

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Ross v The Queen, [2014 TCC 317](#)

A number of expenses were claimed by the employee, but the employee failed to provide evidence as to these expenses. She claimed home office rent - permitted by subparagraph 8(1)(i)(ii) - but included in this amount cost of insurance, property taxes, and mortgage interest which were denied by the CRA.

Employees are not permitted any deductions for any expenses unless the deduction is expressly permitted by the ITA (ITA, s 8(2)). The Court stated that office rent for employees is deductible, but that this does not include the cost of insurance, property taxes, and mortgage interest: *Horbay v R*, [\[2003\] 2 CTC 2248](#) (TCC); *Lester v R*, [2011 TCC 543](#); *Thompson v Minister of National Revenue* (1989), 89 DTC 5439 (Fed TD); *Felton v Minister of National Revenue* (1989), 89 DTC 233 (TCC).

The word "rent" in 8(1)(i)(ii) refers to payment by a lessee or tenant to a lessor or landlord who owns the office property in return for exclusive possession of the office. Other payments (other than utility expenses), even when related to the property, are not eligible as rent for employees even though the amounts may be deductible as business expenses to earn business income.

- Sas Ansari

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