

As remote work becomes the norm and summer temperatures rise, you might be getting creative about your office space—like turning sheds and backyard structures into fully functional home offices.

But did you know that your outdoor office might qualify for a tax deduction? Yes—if it meets IRS criteria.

Can a Backyard Office Be Deducted?

If you're investing in a seasonal workspace this summer, here's what you need to know about potential tax savings.

A detached structure like a shed, garage, or studio may qualify for the [home office deduction](#), as long as it's:

- Used exclusively for business (not part-time guest room or workout space),
- Used regularly for work (occasional use won't qualify), and is
- Your principal place of business, or where you meet clients or do administrative work.

If these conditions are met, your backyard office may be deductible just like any other home office space.

What Expenses Can Be Deducted?

There are two ways to calculate your home office deduction: the [simplified method](#) and the [actual expense method](#).

1. Simplified Method

- \$5 per square foot (up to 300 square feet).
- Easy to calculate, but may yield a lower deduction.

2. Actual Expense Method

You can deduct a percentage of expenses based on the square footage of the workspace relative to your home.

Potential deductible expenses include:

- Construction or renovation costs (if depreciated),
- Utilities (electricity, A/C, Wi-Fi),
- Repairs and maintenance,
- Insurance, and
- Depreciation of the structure over time.

Note: If the structure is newly built, only a portion of the construction cost may be deductible each year through

depreciation—not all at once.

State-Specific Reminders

Some states, like New York, Massachusetts, Connecticut, and others, conform to the [federal home office deduction rules](#)—but not all. It's essential to check whether your state allows home office deductions if you're self-employed or a remote W-2 employee.

If you're an employee working from home and not self-employed, deductions are more limited due to changes in the Tax Cuts and Jobs Act.

Documentation Matters

This documentation can support your deduction if you're ever audited. Keep thorough records of:

- Photos of your workspace,
- Floor plans or square footage estimates,
- Receipts for materials, tools, and services, and
- Utility bills and maintenance logs.

Smart Financial Move

Building a backyard office is not only a lifestyle upgrade—it might be a smart financial move too. But like any tax deduction, it pays to do it right.

Let our team help you maximize your tax savings. [Contact us today](#) for a consultation and make sure your new backyard office works for you—both professionally and financially.