What is an enrolled agent?

Enrolled agents (EAs) are America's tax experts. EAs are the **only** federally-licensed tax practitioners who specialize in taxation and also have **unlimited** rights to represent taxpayers before the Internal Revenue Service.

What are the differences between enrolled agents and other tax preparers?

An enrolled agent is a person who has earned the privilege of representing taxpayers before the Internal Revenue Service by either passing a stringent and comprehensive examination covering both individual and business tax returns, or through experience as a former IRS employee.

Enrolled agent status is the highest credential the IRS awards.

Individuals who obtain this elite status must adhere to ethical standards and enrolled agents, like attorneys and certified public accountants (CPAs), have unlimited practice rights. This means they are unrestricted as to which taxpayers they can represent, what types of tax matters they can handle, and which IRS offices they can represent clients before.

How can an enrolled agent help me?

Enrolled agents advise, represent and prepare tax returns of individuals, partnerships, corporations, estates, trusts and any other entity with tax reporting requirements. EAs prepare millions of tax returns each year and their expertise in the continually changing field of taxation enables them to effectively represent taxpayers audited by the IRS.

Some enrolled agents work only during tax season or by appointment only, while other enrolled agents have year round practices. In addition to **tax preparation** and tax representation, many enrolled agents offer other business services which may include:

- Bookkeeping
- Financial planning or budgeting
- Payroll services
- Financial statement preparation

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Simplified Home Office Deduction

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Simplified Home Office Deduction

Beginning in tax year 2013 (returns filed in 2014), taxpayers may use a simplified option when figuring the deduction for business use of their home.

Note: This simplified option does not change the criteria for who may claim a home office deduction. It merely simplifies the calculation and recordkeeping requirements of the allowable deduction.

Highlights of the simplified option:

- Standard deduction of $5 per square foot of home used for business (maximum 300 square feet).
- Allowable home-related itemized deductions claimed in full on Schedule A. (For example: Mortgage interest, real estate taxes).
- No home depreciation deduction or later recapture of depreciation for the years the simplified option is used.

Selecting a Method

- You may choose to use either the simplified method or the regular method for any taxable year.
- You choose a method by using that method on your timely filed, original federal income tax return for the taxable year.
- Once you have chosen a method for a taxable year, you cannot later change to the other method for that same year.
- If you use the simplified method for one year and use the regular method for any subsequent year, you must calculate the depreciation deduction for the subsequent year using the appropriate optional depreciation table. This is true regardless of whether you used an optional depreciation table for the first year the property was used in business.

Comparison of methods

Simplified Option	Regular Method
Deduction for home office use of a portion of a residence allowed only if that portion is **exclusively** used on a **regular basis** for business purposes	Same
Allowable square footage of home use for business (not to exceed 300 square feet)	Percentage of home used for business
Standard $5 per square foot used to determine home business deduction	Actual expenses determined and records maintained
Home-related itemized deductions claimed in full on Schedule A	Home-related itemized deductions apportioned between Schedule A and business schedule (Sch. C or Sch. F)
No depreciation deduction	Depreciation deduction for portion of home used for business
No recapture of depreciation upon sale of home	Recapture of depreciation on gain upon sale of home
Deduction cannot exceed gross income from business use of home less business expenses	Same
Amount in excess of gross income limitation may **not** be carried over	Amount in excess of gross income limitation may be carried over
Loss carryover from use of regular method in prior year may **not** be claimed	Loss carryover from use of regular method in prior year may be claimed if gross income test is met in current year