

115TH CONGRESS
1ST SESSION

S. 290

To amend the Internal Revenue Code of 1986 to provide a standard home office deduction.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 2, 2017

Mr. UDALL (for himself and Mr. BOOZMAN) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to provide
a standard home office deduction.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Helping Our Middle-
5 Class Entrepreneurs Act” or the “HOME Act”.

6 **SEC. 2. STANDARD DEDUCTION FOR BUSINESS USE OF**
7 **HOME.**

8 (a) IN GENERAL.—Subsection (c) of section 280A of
9 the Internal Revenue Code of 1986 is amended by adding
10 at the end the following new paragraph:

1 “(7) STANDARD HOME OFFICE DEDUCTION.—

2 “(A) IN GENERAL.—In the case of an indi-
 3 vidual who is allowed a deduction for the use of
 4 a home office because of a use described in
 5 paragraph (1), (2), or (4), notwithstanding the
 6 limitations of paragraph (5), if such individual
 7 elects the application of this paragraph for the
 8 taxable year, such individual shall be allowed a
 9 deduction equal to the standard home office de-
 10 duction for the taxable year in lieu of the de-
 11 ductions otherwise allowable under this chapter
 12 for such taxable year by reason of such use.

13 “(B) STANDARD HOME OFFICE DEDUC-
 14 TION.—For purposes of this paragraph, the
 15 standard home office deduction is the lesser
 16 of—

17 “(i) \$1,500, or

18 “(ii) the gross income derived from
 19 the individual’s trade or business for which
 20 such use occurs.

21 “(C) INFLATION ADJUSTMENT.—In the
 22 case of any taxable year beginning in a calendar
 23 year after 2017, the dollar amount in subpara-
 24 graph (B)(i) shall be increased by an amount
 25 equal to—

1 “(i) such dollar amount, multiplied by

2 “(ii) the cost-of-living adjustment de-

3 termined under section 1(f)(3) for the cal-

4 endar year in which the taxable year be-

5 gins, determined by substituting ‘2016’ for

6 ‘1992’ in subparagraph (B) thereof.

7 Any increase determined under the preceding

8 sentence shall be rounded to the nearest mul-

9 tiple of \$100.”.

10 (b) EFFECTIVE DATE.—The amendment made by

11 this section shall apply to taxable years beginning after

12 December 31, 2016.

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