Downloaded from Blogs on 17.11.2026 05:54h

By PwC Deutschland | 24. März 2022

Maintenance of separate work room not required for deduction of home office costs

In a case before the Supreme Tax Court the question was raised as to whether home office costs could be accepted as potentially leading to tax deductible expense, even if the work was completed in any room at home. The Supreme Tax Court held that a deduction of home office expenses does not require that a specific office is maintained for the taxpayer's employment activity. It is sufficient if the room is used exclusively or almost exclusively for business/professional purposes.

Downloaded from Blogs on 17.11.2026 05:54h

Background

According to the relevant provisions of the Income Tax Act (ITA), a taxpayer cannot generally deduct expenses for an office in his home as income-related expenses. However, an exception to the general rule applies where the majority of business or professional activity spent is by use of the home office or if no other workspace is available for the professional activity. In these latter cases, expenses of up to €1,250 can be claimed for income tax purposes.

The case of dispute: A flight attendant claimed expenses of €1,250 for a home office. There was no doubt that she had no other workplace available for the work performed. The Regional Tax Court of Duesseldorf (as the first instance court) refused the appeal as unfounded. The court considered the existence of a separate work room as a prerequisite for the tax deduction. It was further of the opinion that - considering the very small portion of this work in relation to the plaintiff's total working time - it was not at all necessary to maintain a home office (working room), since the work in question could also have been carried out elsewhere (e.g., at the kitchen table).

Decision of the Supreme Tax Court

The Supreme Tax Court did not agree with the conclusions of the Regional Tax Court. Tax deduction of home office costs does not require that a separate office room is maintained at home. The ITA specifies under which circumstances and to what extent expenses for a home office are deductible. In this respect, the law also defines and typifies the necessity of the professional or business use of the study in cases where no other workplace is available or where the study forms the center of the entire working activity. The question whether the taxpayer could easily have done the work at another place at home – e.g., the kitchen table, in the dining room or in another room - is therefore irrelevant.

The Supreme Tax Court referred the case back to the regional tax court. Although the latter court had determined the scope of the work for which the plaintiff had no other workplace available, it had not determined whether the room was used (almost) exclusively for the purpose of generating income, as claimed by the plaintiff.

Source:

Supreme Tax Court, decision of 3 April 2019 (VI R 46/17), published on 24 March 2022.

Note: This judgment was available since July 2019 but not earmarked for official publication at the time.

Schlagwörter

Home office costs