

104<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 953

To amend the Internal Revenue Code of 1986 to provide clarification for the deductibility of expenses incurred by a taxpayer in connection with the business use of the home.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 15, 1995

Mrs. JOHNSON of Connecticut introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to provide clarification for the deductibility of expenses incurred by a taxpayer in connection with the business use of the home.

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 “Home Office Deduc-  
5        tion Act of 1995”.

1 **SEC. 2. CLARIFICATION OF DEFINITION OF PRINCIPAL**  
2 **PLACE OF BUSINESS.**

3 Subsection (f) of section 280A of the Internal Reve-  
4 nue Code of 1986 is amended by redesignating paragraphs  
5 (2), (3), and (4) as paragraphs (3), (4), and (5), respec-  
6 tively, and by inserting after paragraph (1) the following  
7 new paragraph:

8 “(2) **PRINCIPAL PLACE OF BUSINESS.**—For  
9 purposes of subsection (c), a home office shall in any  
10 case qualify as the principal place of business if—

11 “(A) the office is the location where the  
12 taxpayer’s essential administrative or manage-  
13 ment activities are conducted on a regular and  
14 systematic (and not incidental) basis by the tax-  
15 payer, and

16 “(B) the office is necessary because the  
17 taxpayer has no other location for the perform-  
18 ance of the administrative or management ac-  
19 tivities of the business.”

20 **SEC. 3. TREATMENT OF STORAGE OF PRODUCT SAMPLES.**

21 Paragraph (2) of section 280A(c) of the Internal Rev-  
22 enue Code of 1986 is amended by striking “inventory”  
23 and inserting “inventory or product samples”.

1 **SEC. 4. EFFECTIVE DATE.**

2       The amendments made by this Act shall apply to tax-  
3 able years beginning after December 31, 1994.

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