Southern New Hampshire University

TAX 670 Milestone Three Guidelines and Rubric
Home Office Deductions

Overview: This milestone will help you complete Section III of the final project by creating the third memorandum for the home office scenario.

Prompt: You are a tax advisor and your client, Nora, owns and operates C-C Bakery. She encounters three different tax scenarios on which she requests your advice. You are to research the relevant tax code and make recommendations to her in the form of a memorandum for each situation.

Your client, Nora, has a 300-square-foot room in her 2,000-square-foot home that she uses as an office for her bakery business for administrative functions such as paying bills and ordering supplies. She has heard of other small businesses taking the home office deduction, and she does not want to miss out on any deductions. Write a short memorandum advising Nora on whether she can take any deductions for her home office, detailing your conclusion. You are allowed to make some assumptions in order to document your findings. **You will find a memorandum template in Chapter 10 of the *Federal Tax Research* textbook.**

Specifically, the following **critical elements** must be addressed:

III. Home Office Deduction
   A. **Identify sources** for evaluating appropriate tax situation
   B. **Document research** performed to determine if home office deduction applies to tax year, describing your results
   C. **Apply research** to specific fact patterns and determine amount of deduction
   D. **Document findings and advice** in a memorandum to the client, including supporting details

Rubric

Guidelines for Submission: Your paper must be submitted as a 2- to 3-page Microsoft Word document with double spacing, 12-point Times New Roman font, and one-inch margins. Cite appropriate academic references as necessary.

Critical Elements	Proficient (100%)	Needs Improvement (75%)	Not Evident (0%)	Value
Home Office Deduction: Identify Sources	Identifies sources for evaluating appropriate tax situation	Identifies sources for evaluating appropriate tax situation, but response contains errors or is illogical	Does not identify sources for evaluating appropriate tax situation	20
Home Office Deduction: Document Research	Documents research performed to determine if home office deduction applies to tax year, and describes results	Documents research performed to determine if home office deduction applies to tax year, but result contains errors or is illogical	Does not document research to determine if home office deduction applies to tax year	20
Home Office Deduction: Apply Research	Applies research to specific fact patterns and correctly determines amount of deduction	Applies research to specific fact patterns and determines amount of deduction, but research or calculation contains errors	Does not apply research to specific fact patterns and determine amount of deduction	25

Critical Elements	Proficient (100%)	Needs Improvement (75%)	Not Evident (0%)	Value
Home Office Deduction: Document Findings	Documents findings in a memorandum to client	Documents findings in a memorandum to client, but memorandum contains errors or is illogical	Does not document findings in a memorandum to client	25
Articulation of Response	Submission has no major errors related to citations, grammar, spelling, syntax, or organization	Submission has major errors related to citations, grammar, spelling, syntax, or organization that negatively impact readability and articulation of main ideas	Submission has critical errors related to citations, grammar, spelling, syntax, or organization that prevent understanding of ideas	10
			Total	**100%**