

# Time-Space Percentage

The Time-Space percentage is the single most important number to calculate in your family child care business. Begin by calculating your Time percentage and your Space percentage. From there, you can calculate your Time-Space percentage.

## Time Percentage Formula

$$\frac{\text{Number of hours home used for business}}{\text{Total number of hours in a year}} = \text{Time percentage}$$

## Space Percentage Formula

$$\frac{\text{Square feet of home used regularly for business}}{\text{Total square feet in home}} = \text{Space percentage}$$

## Time-Space Percentage Formula

$$\text{Time percentage} \times \text{Space percentage} = \text{Time-Space percentage}$$

Use the Time-Space percentage to allocate the business use of shared business and personal expenses such as

- House repairs and maintenance
- Home depreciation
- Property tax
- Mortgage interest
- House rent
- Utilities (gas, oil, electric, garbage, water, sewer, cable television)
- Homeowners insurance
- Home improvements
- Personal property depreciation (including furniture, appliances, play equipment, computer, TV, DVD player, radio, tape recorder, piano)
- Land improvements
- Toys, cleaning supplies, yard supplies

Note: Instead of using the Time-Space percentage, providers may allocate business use for the above items by calculating an actual business-use percentage, if they can document their calculation.