

Here is a list simple list of what deductions you can take. If you have any questions or need clarification please let me know!

1. **Inventory (Cost of Goods Sold)**. Businesses that sell or manufacture products can deduct the cost of goods sold.
2. **Employees' Pay**. You can deduct any amounts you give your employees for compensation in cash, property or services.
3. **Employee Benefits. Benefits** like health plans, adoption assistance, educational assistance, and life insurance for your employees are generally tax deductible.
4. **Profit-Sharing or Pension Plans**. You can deduct contributions you make to your employees' SEP, SIMPLE, 401(k) and other qualified plans.
5. **Auto Maintenance and Mileage**. There are two ways to calculate vehicle deductions: standard mileage rate or actual expenses (such as gas, repairs and maintenance). You may use the method that results in a larger deduction on your tax return. Track your total auto expenses as well as business mileage so your tax advisor can help you to calculate the maximum deduction on your tax return!
6. **Utilities**. The water, power, trash, and telephone bills at your office are all 100 percent deductible as regular business expenses. If you have a phone number that has a mix of business and personal calls, you may still take a deduction for the portion relating to business usage.
7. **Home Office. Rent, mortgage, insurance, electricity, housekeeping, security, maintenance, and many others** are deductible items for your home office. Make sure to track costs incurred during the year and your tax advisor will help you to calculate the maximum benefit for the deduction!
8. **Travel Expenses**. Nearly all business travel expenses are 100 percent deductible. These include airfare, hotels, and other on-the-road expenses (like dry cleaning, Wi-Fi or cab fares). Eating out on the road is also deductible so don't forget to track these!
9. **Education**. This includes seminars and trade shows, but don't forget any magazines, books, CDs and DVDs that are related to your business or industry. They are all 100 percent tax deductible. Also, travel to and from educational events are also tax deductions as well.

10. **Entertaining**. Eating out with colleagues on a day-to-day basis is not deductible, but if you bring along a client or prospective client, that meal is deductible. Taking a current or prospective client out for drinks or a show is also deductible, but it has to be within a business setting or take place before or after a business meeting.
11. **Petty Cash and Tips**. Just because you didn't get a receipt doesn't mean you can't deduct the cost! Small cash expenses here and there can add up to a significant amount by the end of the year so make sure to track for these items!
12. **Advertising and Marketing**. Be sure to deduct the cost of ordinary advertising (business card purchases, yellow page ads, website costs, Google ad words, and so on), as well as promotion costs for good publicity (such as sponsoring a local sports team).
13. **Depreciation or Write-Off**. If you buy property to use in your business, you can take a tax benefit for it either in the current year or over time. Make sure to account for these purchases.
14. **Employee or Client Gifts**. A gift to a client or employee may be 100 percent deductible.
15. **Outside Help**. If you hire an independent contractor or family member, you can deduct their pay as a business expense.
16. **Service Fees**. Those fees for processing credit cards? One hundred percent deductible.
17. **Office Supplies**. Pens, paper, staples, thumb tacks... track these items because they DO add up!
18. **Bad Debts**. Your bad debt may be deductible if the amount owed to you was previously included in income. Make sure to speak to your tax advisor about this.
19. **Professional Fees**. Accountants, lawyers and other professional consulting fees are fully deductible.
20. **Furniture**. You can either deduct the entire cost in the year of the purchase or depreciate it over several years.

21. **Office Equipment.** That new fax machine, copier, or computer is also 100 percent deductible. You may be able to take it all in one year or depreciate it.
22. **Repairs and Maintenance.** The cost of repairs to keep your business property and equipment in operating condition is deductible.
23. **Insurance Premiums.** You can deduct premiums that you pay for credit, liability, malpractice, and workers' compensation insurance, among others.
24. **Interest.** Mortgage interest, finance charges (like credit cards), interest on payment plans, and interest paid on other loans are all 100 percent deductible.
25. **Software.** Boxed or downloaded software used for business are generally deductible. With more software being made available as a service, software subscriptions are also tax deductible.
26. **Licenses.** License, fees, permits, as well as regulatory fees, are generally deductible.
27. **Taxes.** As strange as it may seem, taxes incurred in running your business may be deductible

Self Employed Checklist

Income

- Gross receipts from sales or services
- Sales records (for accrual based taxpayers)
- Returns and allowances
- Business checking/savings account interest (1099-INT or statement)
- Other income
- Cost of Goods Sold (if applicable)
- Inventory
- Beginning inventory total dollar amount
- Inventory purchases
- Ending inventory total dollar amount
- Items removed for personal purposes
- Materials & Supplies

Expenses

- Advertising
- Phones (landline, fax or cell phones related to business)
- Computer & internet expenses
- Transportation and travel expenses
- Local transportation
- Business trip (mileage) log
- Contemporaneous log or receipts for public transportation, parking, and tolls
- Travel away from home
- Airfare or mileage/actual expense if drove
- Hotel
- Meals, tips
- Taxi, tips
- Internet connection (hotel, Internet café etc.)
- Other
- Commissions paid to subcontractors
- File Form 1099-MISC and 1096 as necessary
- Depreciation
- Cost and first date of business use of assets
- Records relating to personal use of assets
- Sales price and disposition date of any assets sold
- Business insurance
- Casualty loss insurance
- Errors and omissions
- Other
- Interest expense

- Mortgage interest on building owned by business
- Business loan interest
- Investment expense and interest
- Professional fees
- Lawyers, accountants, and consultants
- Office supplies
- Pens, paper, staples, and other consumables
- Rent expense
- Office space rent
- Business-use vehicle lease expense
- Other
- Office-in-home
- Square footage of office space
- Total square footage of home
- Hours of use, if operating an in home daycare
- Mortgage interest or rent paid
- Homeowner's or renters' insurance
- Utilities
- Cost of home, separate improvements and first date of business use
- Wages paid to employees
- Form W-2 and W-3
- Federal and state payroll returns (Form 940, Form 941, etc.)
- Employee benefit expenses [This needs to be left-aligned with "Wages paid to employees"]
- Contractors
- Form 1099-MISC
- Form 1096
- Other expenses
- Repairs, maintenance of office facility, etc
- Estimated tax payments made
- Other business related expenses
- Health insurance [This needs to be left-aligned with "Other expenses"]
- Premiums paid to cover the sole-proprietor and family
- Premiums paid on behalf of partners and S corporation shareholders

Information on spouse's employer provided insurance

HOME OFFICE: SPACE USED 100% FOR BUSINESS - ALL THE TIME

ORIGINAL PURCHASE DATE _____

ORIGINAL COST OF HOME _____

MAJOR REMODELING
(PRIOR TO HOME OFFICE) _____

TOTAL SQUARE FOOTAGE OF HOME _____

TOTAL SQUARE FOOTAGE OF HOME OFFICE SPACE _____

PERCENT FOR HOME OFFICE _____ (We will calculate)

<u>HOME COSTS</u>	<u>100%</u>	<u>OFFICE PORTION</u>	
HEAT	_____	_____	(We will calculate)
ELECTRICITY	_____	_____	"
WATER/SEWER	_____	_____	"
INSURANCE	_____	_____	"
MORTGAGE INTEREST	_____	_____	"
REAL ESTATE TAX	_____	_____	"
CLEANING	_____	_____	"

Other remodeling, repairs done to the office space....after starting to use it for office space...
list here.

Special Note:

SUB-S: YOU SHOULD COMPLETE ONE OF THESE FORMS, ATTACH COPIES OF SUPPORTING DOCUMENTS AND
PREPARE ON A MONTHLY BASIS. REIMBURSE YOURSELF MONTHLY