

## Essential List of Business Deductions - 33 Ways You're Leaving Money on the Table!

According to the IRS:

“To be deductible, a business expense must be both ordinary and necessary. An ordinary expense is one that is common and accepted in your industry. A necessary expense is one that is helpful and appropriate for your trade or business. An expense does not have to be indispensable to be considered necessary.”

The following is a partial list of expenses that may be deductible in your business:

- Phone, cellphone and fax service
- Internet service, online charges, purchase of URL's
- Utilities - water, sewer, electrical, etc.
- Dues, association dues, credentials, licenses, certifications and publications
- Freight & shipping
- Insurance, liability, workman's comp, professional insurance and health insurance
- Office supplies
- Computer expenses, includes toner cartridges, copy paper, anti-virus subscription and software upgrades
- Advertising
- Marketing and public relations, including the costs associated with creating and maintaining your website and email system
- Postage and shipping charges
- Collateral materials such as business cards, brochures, fliers, booklets, pens, coffee mugs, and other promotional materials
- Repairs and maintenance of equipment
- Consulting services, virtual assistants, clerical services, virtual offices
- Accounting services
- Legal
- Other contract services
- Books and resource materials
- Continuing education, workshops and conferences related to your business; materials & supplies, copying fees, textbooks
- Mentoring and Coaching—private or group—face to face or online
- Interest expense on loans and business accounts
- Bank service charges
- Merchant service fees for credit card payments, Venmo, Amazon, PayPal fees
- Business license fees
- Interest that you pay on your business credit cards
- Payroll for part-time, full-time and occasional employees

- ☑ Uniforms
- ☑ Property taxes
- ☑ Retirement Plans
- ☑ Rent
- ☑ Mortgage Interest Expense
- ☑ If you're a builder or professional craftsman, keep receipts for all your materials, supplies and small tools and equipment rentals.
- ☑ If you're a coach or educational professional, you may have workshop supplies such as arts and crafts materials, books, decorations, papers, visual aids and other such tools.
- ☑ Travel expenses such as airfare, parking fees, rental cars, hotels, toll-roads and meals (be sure to separate meals from hotels and take the full amount of each to the accountant)
- ☑ Records for your car - You'll have the choice of expensing your mileage or tracking your true expenses such as gas, repairs, licenses, insurance, maintenance –you are not able to do both, but your accountant will help you determine which method you'll use for the best tax advantage. It is important that if you are tracking mileage that you have the date, the miles driven and the purpose. You will also be asked for the number of personal miles and your total miles driven during the year. Date that your vehicle entered service. While you're at it...make sure that you log your mileage for medical and charity. (If you can itemize your personal deductions then you'll already have that vehicle information detailed and ready)
- ☑ Your home office. Remember, if you declare a home business expense, the area that you use needs to be set aside specifically for that purpose and it needs to be your primary work place. Measure that area and the area of your home—in square footage. Take copies of your home utility bills, your mortgage or rent payments, property taxes and insurance payments. The accountant will prorate the appropriate deductible based on the percentage relationship. He/she will also help you establish whether you are at an increased risk for an audit if you claim these expenses. They are legitimate deductions, but the IRS tends to keep a pretty close eye on them.

There are so many expenses that may be treated as deductions—if you are in doubt, keep your documentation and ask your accounting professional.

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