



BUSINESS EXPENSES FOR THE SELF-EMPLOYED And HOME BASED BUSINESS OWNER

This is, by no means, a complete list of all legal business deductions available to you, but it will get you started documenting all of your expenses—something you need to do for your business anyway! Here's a list of the most common business expenses you'll list on Schedule C of your individual tax return if you have an unincorporated business:

- Advertising** –Business Cards, Flyers, Yellow Pages, Coupons, etc...
- Car and truck expenses** -(you can take the higher of actual miles driven at 55.5 cents per mile (2013) or actual expenses, including gas, oil, tires, maintenance, insurance, etc.)
- Commissions paid** – to salespeople, independent reps etc... (1099's)
- Insurance** -(other than health, i.e. Disability, Liability, etc...)
- Interest** -expense paid to banks for equipment or real estate loans
- Internet service provider** - Yes, AOL or other provided you utilize for Biz!
- Legal and professional fees** - Tax Prep, Attorneys, Ad Agencies, etc...
- Office expense** – Cost of Office or PMB like Mail Boxes Etc...
- Pension and profit sharing plans** – SIMPLE, IRA's, KEOUGHS, etc...
- Postage** – Stamps, packaging-shipping costs, as well as UPS, FEDEX, etc.
- Rent or Lease** - vehicles, machinery, equipment
- Repairs and maintenance** – to business equipment, buildings, etc...
- Supplies** – office supplies or materials necessary for Biz
- Taxes and Licenses** - (other than income taxes)
- Telephone** – Cost of service as well as equipment (includes cell phone as well)
- Travel** – Trade Shows, Conferences, Seminars, etc...
- Meals and entertainment** – Keep receipts for Biz Meals
- Utilities** – Pro-rated amount for home-based office
- Wages** – paid to employees (or kids if qualified)
- Other Expenses** – Any other expense that doesn't fit into one of the categories above.
- Business Use of Your Home** - You may qualify for this deduction provided that you use an area of your home or apartment *regularly and exclusively* for business. You may then write off a portion of your rent and utilities or mortgage interest and taxes, etc...

Remember, **KEEP RECEIPTS and DOCUMENT EVERYTHING!** The more proof that you have concerning your business expenses, the easier it is to prove they are legitimate and the more you'll know the true profitability of your business.

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