

Business Deductions

Here's a list of Deductions for any expenses related to and for the business

1. Vehicle Expenses (Vehicles used for deliveries, carrying equipment etc.)

- Gasoline
- Maintenance
- Parking
- Tolls
- Mileage
- NEW Vehicle Depreciation is 100% for First year if used more than 50% by the business
- Electric Vehicle Deductions

2. Home Office/Business Use of Home

- Sq Footage of Home
- Sq Footage of Work Area
- Rent Payment Amount

3. Furniture & Equipment

Laptops, Machines etc.

Total amount can be deducted at once or **Depreciation of Assets** (deducted over time)

- It must be used in the business or held to produce income during the year of purchase.
- The useful life of the asset must be greater than one year.
- It must be an asset that wears out, gets used up, or loses its value over time.

4. Professional Services

- Attorneys
- Accountants

5. Salaries/Wages/Contractors

- Any compensation paid to staff members
- Total amount for the year
- If more than \$600 for the year, that person will need to be issued a 1099 going forward

6. Office Supplies and Expenses

- Paper, Ink, pens, packaging etc.
- For the previous years, supplies and ingredients can be written off as expenses. Going forward, all inventory will be monitored and calculated to be recorded as Cost of Goods Sold.

7. Computer software and subscriptions

- Shopify
- Quick books

8. Rent for business location

- If Home is Business location, other deduction is used
- Event Spaces
- Shared Work Spaces

9. Entertainment and Meals for Clients and staff

- 50% is deductible
- Lunch, Dinner, Take Out
- Events

10. Travel

- Flights
- Lodging
- Bag Fees

11. Financial Fees

- Bank fees
- Third-party Transaction Fees

12. Taxes

- Sales Taxes
- Employer/Employee Taxes
- Use Tax
- Self-Employment/Quarterly Estimated Taxes

13. Machinery & Equipment Rental

14. Commissions

- Affiliates
- Sales Reps
- Referral Fees

15. Interest on Loan

- The Principal of Loans themselves are not deductible however the interest paid is

16. Bad Debts

- Loaned money to someone, can prove it was NOT a gift and they are NOT going to pay it back

- Paid a vendor for goods/services you did not receive
- Credit sales to customers
- Business loan guarantees

Amount must have been initially included as income*

17. Employee Education and Child Care Assistance

- If you paid for employees' education of childcare

18. Mortgage Interest

- If the business owns a building/home

19. Disaster and Theft Losses

- Floods
- Fires
- Robbery

For whatever insurance did NOT cover

20. Carry Overs form prior years

- Capital Loss
- Certain losses that we not included or record on prior returns