

POSSIBLE TAX WRITE OFFS FOR BUSINESSES

Keep all receipts (we suggest you make copies of them because they fade)

This list is not the only write offs for businesses but can give you a good idea of what to write off

- Advertising (logo related items, signs, advertising, business cards etc)
- Antivirus
- Auto Expense (Business miles only but we also need total miles driven all year) See attached Auto sheet
- Bank charges (Business account only and if required to have for business)
- Books related to profession
- Commission and Fees (commissions paid to non employees)
- Contract Labor (payments made to contractors over \$600 pd needs to be sent a 1099)
- Credit Card fees (only business credit card)
- Dues to professional societies (Chamber, networking groups)
- Education
- Employee Benefit Program (accident and health plans, group term life insurance etc)
- Gifts (limit to \$25 per person/family per year)
- Home office deduction (see attached Home Office Sheet)
- Insurance (workman's comp, liability) NOT health
- Mortgage interest (only if you have a place of business and paying mortgage) NOT HOME
- Other interest (Business credit card interest, business loan interest)
- Legal and professional fees (tax prep fee for only the Sch C and Dep schedule, other legal fees)
- Meals and Entertainment (meals while conducting business Only ½ deductible but list full amount)
- Office Expense (consumable office supplies)
- Pension & profit sharing plans (for your employees)
- Postage and Shipping
- QuickBooks Fee
- Rent or Lease of: Machinery or equipment
Other Business property (office space)
- Repairs and Maintenance (incidental fees paid for repairs for computers etc)
- Software
- Subscription (for publications for business)
- Supplies (Equipment that last less than 1 year)
- Taxes and Licenses (payroll taxes, licensing fees)
- Travel
 - Airplane
 - Hotel
 - Uber/Lyft
 - Rental Car
 - Rental Car gas
 - Tolls
 - Parking
- Utilities (utility expenses for separate place of business) NOT Home utilities
- Website
- Other Expenses:
 - Cell phone (yearly amount divided how many on plan and then multiply times business use)
 - Internet (Not including cable, yearly amount divided how many on plan and then multiply times business use)

Assets purchased (cost over \$500) Need date purchased, item purchased, cost and business usage

Please fill out the schedule C input sheet under the "forms and tools" tab on the website

www.elitetaxandfinancial.com

Auto deduction for business use only

Auto deduction can be taken 2 different ways: 1. Actual expense **OR**
2. Mileage deduction

Actual Car Expenses Include:

Depreciation
License Fee
Gas
Oil
Lease payments
Insurance
Registration fees
Repairs
Tires
Interest on car loan
‘These expenses are only based on the percentage of business use’

For example: total miles drove 10500
Business miles drove 9850
93.8% of the above expenses will be deductible
Once you start with Actual you can't switch to Mileage deduction. You must stay with actual for the whole time you use the vehicle for business.

Mileage Car Deduction Calculation

Business miles multiplied by mileage rate for the tax year

We also need total miles driven

If you start out using the mileage deduction, then you can switch back and forth between actual deduction and mileage deduction. (keep all receipts just in case you need to deduct actual expenses in a future year)

You cannot however amend your return to claim the mileage deduction after you have used actual.

Home Office Deduction

To be deductible: the home office must be regularly and exclusively used for business.

Beginning in 2013 taxpayer may use a “simplified option” for home office deduction. This deduction is based on the total square footage of the office multiplied by \$5 per square foot. Maximum deduction is \$1500

Advantages: 1. deduct the full amount of mortgage interest and taxes on your schedule A
2. No home depreciation deduction or later recapture of depreciation

Or you can use the actual method, and this involves figuring the percentage of home office vs the total square footage of your home. For example: total square footage of home is 3850 and the office is 100 sq ft (10 x 10) your deduction would be 2.5% of all expenses which include mortgage interest, taxes, insurance, utilities, repairs and depreciation.

Requirements to claim the HOME office deduction are:

1. The office is used regularly and exclusively for the business office
2. Principle place of business

NOTE: W-2 employees are no longer allowed to deduct a home office if you are required to work from home.

Home office was a highly audited topic for the IRS. Since they have enacted the “Simplified Method” this is what we have been deducting for customers.