# 80+ Tax Write Offs

*for business owners!*

Tamra Halley
tamra@startandb.com

(307) 215 -9653
StarTaxesAndBooks.com

MY MOST FREQUENTLY ASKED QUESTION

# Can I write that off?

When it comes to tax deductions for business owners, the **BEST** way to ensure that an expense can be written off as a tax deduction is to ask your tax preparer who is familiar with your unique business.

For an expense to be deductible, it must be both ORDINARY and NECESSARY for your business.

Per the IRS, "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."

With that being said, I've compiled a list of 80+ expenses that ***could*** be deductible for you to run by your tax preparer!

Tamra Halley
tamra@startandb.com

(307) 215 -9653
StarTaxesAndBooks.com

# Office*

- Office Furniture
- Utilities Expenses
- Rent & Lease Expense
- Office Supplies
- Internet Expenses
- Cleaning Services
- Telecommunications
- Moving Expenses
- Building Maintenance + Repairs

*Don't forget about home office if you're self employed

# Staff

- Payroll Expenses
- Medical Insurance
- Training Expenses
- Year-End Bonuses
- Uniforms

# Vehicle*

- Highway Tolls
- Depreciation
- Maintenance + Fuel
- Mileage

*must be for business use

# Contractors

- Contract Labor
- Sales Commissions
- Professional Services
- Consulting Fees
- IT Support
- Accounting Services
- Tax Preparation
- Realtor Commissions
- Web Designer
- Legal Services

Tamra Halley
tamra@startandb.com

(307) 215 -9653
StarTaxesAndBooks.com

FOR REFERENCE ONLY
Consult your tax preparer

# Miscellaneous

- Amortization
- Depreciation
- Interest Expense
- Certain Taxes Paid
- Business Licenses
- Job Supplies & Materials
- Meals w/Clients or Vendors
- Bad Debt Expenses
- Start-Up Costs
- Charitable Contributions
- Client Gifts (up to $25/client)
- Professional Licenses

# COGS

- Manufacturing Costs
- Direct Labor Costs
- Shipping Costs
- Inventory
- Storage Costs
- Cost Of Services

# Banking

- Monthly Service Charges
- Payment Processor Fees
- ACH/Transfer Fees
- Account Set Up Fees
- Interest Paid

# Advertising

- Logo Design + Branding
- Social Media Content Creation
- Company Signage
- Business Cards
- Vendor Events
- Paid Online Ads
- Printed Flyers
- Purchased Ad Space
- Sponsoring An Event
- Networking

Tamra Halley
tamra@startandb.com

(307) 215 -9653
StarTaxesAndBooks.com

FOR REFERENCE ONLY
Consult your tax preparer

# Insurance

Workers' Comp Insurance
Professional + General Liability Insurance
Malpractice Insurance
Rental Insurance
Cyber Liability Insurance
Employee Health Insurance
Business Owner Health Insurance

# Education*

Conferences
Webinars + Trainings
Industry Publications
CE Courses

*must be tailored to your industry

# Technology

Software + Licenses
Cell Phone
Tablets
Laptops + Computers
Wi-Fi Router
Internet Security

# Business Travel*

Airline Tickets
Lodging Costs
Rental Car Expenses
Meals While Traveling
Baggage Fees
Dry Cleaning
Tips Paid While Traveling
Communication Costs

*must be for a business purpose AND away from your tax home

Tamra Halley
tamra@startandb.com
(307) 215 -9653
StarTaxesAndBooks.com

# Does Your Business Structure Have The Right Tax Status?

The legal structure of your business and the IRS tax status are two different things, but they are connected. The legal structure determines what IRS forms you can file, which has a significant impact on how the business is taxed. What taxes it pays and how much.

Most businesses that aren't large corporations are taxed as a sole-proprietorship or as an S-Corp (there are partnerships that mix in here as well). Most small businesses start as a sole-proprietorship (or partnership), but at some point there can be a significant tax advantages to elect an S-Corp status.

The tax status you had when you first created your business, may have been the right fit for you then but as your business has changed and grown, is it still the right tax status? Having the wrong tax status could be costing you thousands!

Tamra Halley
tamra@startandb.com

(307) 215 -9653
StarTaxesAndBooks.com

## Accounting and Record Keeping

### Sole Proprietorship

- Accounting is less involved than partnerships and corporations. Double-entry bookkeeping is not required as no balance sheet is needed when filing Schedule C or F.
- A business owned solely by two spouses may elect not be taxed as a partnership and may file as two sole proprietorships to minimize bookkeeping requirements.
- Cannot file as a fiscal year business unless owner files Form 1040 under the fiscal year rules.

### S Corporation

- Double-entry bookkeeping may be required depending on income and other factors affecting the need for a balance sheet on the return.
- Must use a calendar year unless it establishes a business purpose for using a fiscal year, or it makes an IRC section 444 election.

## Taxation of Profits and Losses

### Sole Proprietorship

- The owner is self-employed and pays self-employment (SE) tax on net profits.
- Net profits are subject to income tax in the year earned and cannot be deferred by retaining profits.
- Losses offset other income in year incurred, such as W-2 wages, interest, dividends, and capital gains.

Exceptions: Losses cannot be used to offset income from activities subject to passive loss, at-risk loss, and hobby loss rules.

- Owner may qualify for the 20% qualified business income deduction (QBID).

### S Corporation

- An S corporation generally pays no tax. Profits flow through to the shareholders.
- Pass-through items retain the same character to the shareholder as they had to the corporation.
- Distributions are not subject to self-employment tax.
- Shareholders who perform services are paid as employees and income is reported on a W-2.
- Losses flow through to shareholders and may be used to offset other income, subject to passive, at-risk, and hobby loss exception rules.
- Shareholder may qualify for the 20% qualified business income deduction (QBID).

Tamra Halley
tamra@startandb.com
(307) 215 -9653
StarTaxesAndBooks.com

## Star Taxes and Books

Do you have more questions or would you like more help with the financial and/or tax part of your business?

*I'd love to help!*

Tamra Halley
tamra@startandb.com

(307) 215 -9653
StarTaxesAndBooks.com