

EXAMPLES OF SELF-EMPLOYED BUSINESS EXPENSES

After you have visited my website, www.junewalkeronline.com, and read FEATURE # 3 which explains what makes an expense a business deduction, the following list will be helpful in providing you with typical as well as unusual examples of business expense deductions. There are about 50 posts on my blog <http://junewalkeronline.blogspot.com> that relate to specific business expenses. You might want to check them out, too.

If you have a question about a specific deduction please email your question to me at june@junewalkeronline.com and I'll do my best to help you.

If you **know** that an expense is deductible, don't concern yourself with which expense category it fits into. Simply stick it into the closest match you can find or give the expense its own category name and deduct it. The IRS will not disallow the deduction for being in the wrong category as long as it is a legitimate expense.

Note that the order of expense categories listed below is similar to the order on the federal tax form, Schedule C: Profit or Loss From Business.

1. ADVERTISING/PROMOTION

- BUSINESS CARDS
- CHRISTMAS/HOLIDAY CARDS
- MAILING LISTS
- NEWSPAPER ADS
- PHOTOS, FILM & PROCESSING
- POSTERS
- PROFESSIONAL REGISTRIES: e.g. Players Guide
- RESUMES
- CDs & DVDs ABOUT YOU OR YOUR BUSINESS
- WEBSITE DEVELOPMENT & HOSTING

2. AUTO/TRUCK/MOTORCYCLE: see separate worksheet

Expenses for this category are part of a tax preparation packet & not included on this list.

3. COMMISSIONS & FEES

- AGENT FEES PAID
- FRANCHISE FEES

4. SUB-CONTRACTOR FEES

- ASSISTANT
- MODELS
- SINGING COACH
- SUPERVISION FOR PSYCHOLOGISTS
- TYPIST

5. **EQUIPMENT -- costs more than \$200 and lasts more than one year**
 - OFFICE FURNITURE
 - COMPUTER, PRINTER, ALL TECHNICAL HARDWARE
 - WASHER, DRYER for a massage therapist (business % if used for personal as well)
 - ALARM SYSTEM
 - CAMERA & ACCESSORIES
 - FILE CABINETS
 - LAMPS, RUGS
 - MUSIC SYSTEM
 - STAND ALONE SHELVES
 - TV/VCR/DVD

6. **BUSINESS INSURANCE**
 - BUSINESS INTERRUPTION
 - DISABILITY – for non-spousal employees only
 - FIRE & THEFT
 - LIABILITY
 - MALPRACTICE
 - WORKERS' COMPENSATION FOR EMPLOYEES

7. **BUSINESS LOAN INTEREST**
 - MORTGAGE ON BUSINESS PROPERTY
 - BUSINESS PORTION OF CREDIT CARD FINANCE CHARGES

8. **LEGAL & PROFESSIONAL SERVICES – must be for business services, e.g. not will preparation**
 - ACCOUNTANT FEES
 - ATTORNEY FEES
 - BOOKKEEPER FEES
 - LOBBYING EXPENSES (with restrictions)
 - PENSION ADMINISTRATOR FEES

9. **SUPPLIES – general supplies used in your office or workplace**
 - OFFICE MATERIALS: e.g. paper, toner, light bulbs
 - CLEANING SUPPLIES & PAPER PRODUCTS: e.g. tissues; towels
 - COFFEE, BOTTLED WATER, HARD CANDY FOR CLIENTS
 - FIRE EXTINGUISHER
 - FLOWERS OR PLANTS FOR THE OFFICE
 - PLANT HANGERS
 - SOFTWARE

10. **POSTAGE**
 - FED EX, UPS
 - FREIGHT
 - MESSENGER SERVICE
 - POST OFFICE BOX (business % if used for personal as well)

11. **EQUIPMENT RENTAL OR LEASE**
 - CHAIRS
 - COPIER
 - WORKSHOP TOOLS

12. RENT ON BUSINESS PROPERTY

- OFFICE
- STUDIO
- REHEARSAL SPACE
- WAREHOUSE

13. REPAIRS/MAINTENANCE

- OF EQUIPMENT: e.g. piano tuning; service contract
- OF THE OFFICE: e.g. cleaning service; repair of a window
- LAUNDERING OF LINENS USED IN YOUR PRACTICE
- LANDSCAPING/LAWNCARE FOR BUSINESS PROPERTY

14. SUPPLIES -- incidental supplies used in your specific business

-- not office supplies & not supplies used in the production of your product

- ANIMAL TREATS for a dog sitter
- LINENS for a massage therapist
- MUSIC SCORES for a music teacher
- PROPS & SCRIPTS for a performing artist

15. BUSINESS TAXES

- EMPLOYER'S SHARE OF PAYROLL TAXES
- FEDERAL HIGHWAY USE TAX
- FRANCHISE TAX
- GROSS RECEIPTS OR SALES TAX
- NY UNINCORPORATED BUSINESS TAX
- PERSONAL PROPERTY TAX ON BUSINESS ASSETS
- REAL ESTATE TAX ON BUSINESS PROPERTY
- ZONING PERMIT

16. LICENSES & FEES

- YEARLY BUSINESS LICENSE
- FRANCHISE FEES
- REGULATORY FEES TO STATE & LOCAL GOVERNMENTS

17. TRAVEL: see separate worksheet

Expenses for this category are part of a tax preparation packet & not included on this list.

18. MEALS/ENTERTAINMENT

- WITH BUSINESS ASSOCIATES: e.g. clients, potential clients, colleagues, employees
- AT YOUR OFFICE
- AT A SPORTING OR ENTERTAINMENT EVENT
- PARTIES FOR BUSINESS ASSOCIATES
- FOR THE GENERAL PUBLIC e.g. for a grand opening; gallery show

19. TELEPHONE & OTHER COMMUNICATION UTILITIES

- MONTHLY SERVICE + ACCESSORIES FOR BUSINESS LINE
- BUSINESS % OF PERSONAL LINE -- exclude base line charge
- CELL PHONE
- ANSWERING SERVICE
- PAGER
- INTERNET SERVICE PROVIDER

20. **OFFICE OR STUDIO UTILITIES (not home office)**
 - ELECTRICITY / HEAT/ WATER
 - EXTERMINATOR SERVICE
 - SECURITY COMPANY MONTHLY FEE
 - TRASH PICK-UP
21. **WAGES TO EMPLOYEES**
22. **BANK SERVICES CHARGES** -- if account is both personal & business, then must allocate
 - BUSINESS BANK ACCOUNT FEES
 - CHECK PRINTING FEES
 - CLIENT RETURNED CHECK FEE
 - SAFE DEPOSIT BOX
23. **COPYRIGHT FEES/ ROYALTIES/PATENTS**
24. **COSTUMES/CLEANING/MAKE-UP**
 - TUXEDO/EVENING DRESS
 - HAIR DONE FOR AWARD PRESENTATION
 - MAKE-UP FOR A PERFORMER
 - UNIFORMS – clothing with the business name on it
25. **DUES/ENTRANCE FEES**
 - CIVIC & PUBLIC SERVICE ORGANIZATIONS: e.g. chambers of commerce
 - COMPETITION FEES
 - MUSEUMS
 - PROFESSIONAL SOCIETIES: e.g. bar or medical associations; real estate boards
26. **BUSINESS GIFTS** -- maximum, \$25 per person, per year
 - TO CLIENTS
 - TO POTENTIAL CLIENTS
 - TO BUSINESS ASSOCIATES
 - THANK YOU TO MOM FOR FIXING YOUR COMPUTER
 - TIPS: e.g. for travel assistants; backstage help
27. **STUDIO/OFFICE-IN-THE-HOME: worksheet available**
[Expenses for this category are part of a tax preparation packet & not included on this list.]
28. **PHOTOCOPIES/PRINTING**
29. **PUBLICATIONS** -- anything you read
 - BOOKS
 - MAGAZINES
 - NEWSPAPERS
 - NEWSLETTER SUBSCRIPTIONS
30. **RECORDING COSTS**

31. STUDY/EDUCATION/SEMINARS/RESEARCH

- CABLE TV
- CLASSES
- CONCERTS
- CONVENTIONS
- DOCUMENT-GATHERING
- GALLERIES
- LESSONS
- LIBRARY FEE
- MOVIES
- MUSEUMS
- PERFORMANCES
- TUITION & FEES
- VIDEOS/DVDS (purchase or rental)
- WORKSHOPS

32. PUBLIC TRANSPORTATION

- BUS
- SUBWAY
- TAXI
- TRAIN

33. SUPPLIES USED IN THE PRODUCTION OF YOUR PRODUCT