

Self Employed Expenses Checklist

- Advertising
- Commissions paid
- Contract Labor
- Business loan interest
- Cost of good sold
- Health insurance premiums
 - Special rules apply. (Deduct on the front of Form 1040.)
- Insurance (other than health)
 - Business Liability
 - Workman's Comp
- Legal and Professional Fees
 - Accounting
- Meals (usually only 50% deductible)
- Education & Seminars (related to current business, not new career)
- Merchant fees for your credit card sales
- Bank service charges
- Office Expenses
 - Materials & Supplies
 - Postage and shipping
 - Customer gifts
 - Software purchases
 - Software subscriptions, such as security software
 - Dues & subscriptions
 - Internet service
 - Web site hosting, design, and domain registration
 - Cell Phones
 - Telephone
 - Long distance phone charges
 - Phone cards for business calls
 - Books, newspapers, magazines for business purposes
 - Answering services
- Rent/Lease Business Space / Property
- Business Property Taxes
- Rent/Lease Business Equipment
- Rent or lease of storage facilities
- Repairs and Maintenance of equipment or business space
- Shop supplies
- Taxes & Licenses

- Travel expenses
 - Parking and tolls for business travel
 - Hotel, air and bus fares, taxis
- Utilities
- Bank charges
- Equipment purchases - These can be generally depreciated or expensed with Bonus Depreciation or Section 179 tax deduction
- Association and membership fees

Deductible Self-Employed Expenses

Generally, any purchases made specifically for your business should be deductible. Items used for both personal and business purposes should be kept track of in a journal or other method to record what percentage of the expense is used for business.

Using your Home for Business

Business use of your home allows you to deduct a percentage of the costs involved in owning or renting your home. Determine the percentage of your home that is being used "exclusively" for your business to determine your deduction. (Note: daycare businesses will use a formula based on the number of hours they make the home available to the children.)

Use Form 8829 to calculate and report your home business deduction for use of your home.

Home Business Deductions May Include:

- Depreciation, based on actual purchase and remodeling costs
- Rent, if you are renting your place of residence
- Mortgage interest, real property taxes, PMI insurance
- Utilities, such as gas, electric, water, sewer, etc.
- Trash service, pest control service
- Homeowners or renters insurance
- Regular maintenance of your home

Business Use of Your Personal Vehicles

To deduct business use of your vehicle you must keep a record of your business mileage to substantiate the deduction.

Standard Mileage Deduction

The business mileage for deduction for non-home based businesses does NOT allow you to take a deduction for the mileage from your home to your principal place of business. Any other business related mileage should be deductible. The standard mileage deduction allows you to deduct the business portion for license plates, taxes, and interest the vehicle loan.

Deducting Actual Vehicle Expenses

Deductible expenses include:

- Depreciation of the purchase price for the vehicle
- Vehicle loan interest
- Auto license plate fees and taxes
- Repairs and Maintenance
- Insurance
- Interest
- Fuel

Deducting Self-Employed Health Insurance

You may qualify to take a deduction for self-employed health insurance on the front of Form 1040, Line 29. Basically if you purchase your own insurance, this allows a full deduction for the cost for your health insurance premiums. You cannot take this deduction for months you were eligible to be covered by an employers' health insurance plan. See IRS Publication 502 for more details.