



Small Business Workbook

Business Information Income

Income

- 1099 NEC (non-employee compensation) Other revenue reports/logs/etc
- 1099 K (from credit card processing)
- Cash/Checks

Expenses

- Bank Statements (best to keep a separate bank account for your business, even if it is not an official business bank account --if you're just starting out you can open a personal bank account and do all of your business transactions in that)
- Receipts (especially for items paid in cash or not paid through the business bank account)
- Forms 1099 NEC that you provided to Independent contractors/outside services
- Expense Log/Report
- Cost of Goods Sold Log/Report
- Any downloadable CVS files from sites like Shopify/Etsy/Etc of your revenue/transactional expenses

Notes

Annual Business Income & Expenses

Income

REVENUE/EARNINGS	_____
OTHER	_____
.....
TOTAL INCOME	_____

Standard Expenses

EXPENSE TYPE	SPENT
.....
ADVERTISING	_____
CELL PHONE	_____
INSURANCE	_____
LEGAL & PROFESSIONAL	_____
LICENSING	_____
MARKETING	_____
MEALS	_____
MISCELLANEOUS	_____
OFFICE SUPPLIES	_____
OUTSIDE SERVICES	_____
SOFTWARE	_____
SUPPLIES	_____
TRAVEL	_____
OTHER	_____
.....
TOTAL EXPENSES	_____

Other Expenses

EXPENSE TYPE	SPENT
.....
_____	_____
_____	_____
_____	_____
_____	_____
.....
T. OTHER EXPENSES	_____

Office Expenses

EXPENSE TYPE	SPENT
.....
MORTGAGE/RENT	_____
UTILITIES:	_____
INTERNET	_____
ELECTRICITY	_____
WATER	_____
GAS	_____
SEWAGE/TRASH	_____
REPAIRS/MAINTENANCE	_____
.....
T. HOME EXPENSES	_____

Vehicle Information

MAKE/MODEL	_____
STARTING DATE	_____
TOTAL BUSINESS MILES	_____

Vehicle Expenses

EXPENSE TYPE	SPENT
.....
CAR PAYMENTS	_____
GAS	_____
INSURANCE	_____
REPAIRS/MAINTENANCE	_____
REGISTRATION	_____
OTHER	_____
.....
T. VEHICLE EXPENSES	_____

TOTAL INCOME: _____

TOTAL EXPENSES: _____

NET INCOME/LOSS:

Small Business Tax Deductions

Advertising and Promotion

- Facebook/Instagram/Google ads
- Prints (brochures, flyers, etc)

Auto Expenses*

Deduct Mileage at 58.5 per mile (from 1/1 - 6/30)
62.5 per mile (from 7/1-12/31) for 2022

OR

- Car payments
- Insurance
- Gas
- Depreciation (if vehicle is owned)
- Parking and tolls
- Registration (DMV) fees
- Maintenance and repairs

Bank Fees

- ATM fees
- Monthly service fees
- Annual fees
- Late payments
- NSF fees
- Merchant account fees
- Credit Card processing fees

Business License and Permits

- State/city/local licensing
- Industry/job specific license

Communication

- Cell Phone
- Landline
- Answering Services
- Subscriptions for Communication Services

Consultation

- General consultation
- Financial consultation
- Job consultation

Continuing Education

- Tuition
- Books/supplies
- Program fees
- Trainings and workshops

Cost of Goods Sold

- Materials/Supplies
- Labor

Dues and Subscriptions

- Memberships
- Monthly/annual subscription

Equipment Rental

- Payment processor rental
- Industry/job specific rentals
- Tool rental
- Large equipment rental

Gifts*

- Gifts provided to vendors or customers/clients/patients (can only deduct \$25 per person per year)

Small Business Tax Deductions

Independent Contractors

- Contractors
- Outside services

See small business tax deductions cheat sheet part 4 for more information

Insurance

- General
- Liability
- Workers Compensation
- E&O Insurance

Interest

- Finance charges
- Loan interest

Legal and Professional

- Legal consultation and fees
- Accounting
- Bookkeeping
- Financial Advisor
- Industry/Job specific fee

Marketing

- Agency Fees
- Surveys
- Development of advertising
- Social Media monitoring/participation
- Sponsorships

Meals

- Restaurants
- Fast Food

(Note: meals are usually deducted by 50% depending on the purpose of the meal. Consult with your tax preparer.)

Postage and Shipping

- Stamps
- Certified mail
- Delivery
- Freight costs

Office

- Rent or mortgage
- Insurance
- Utilities
- Maintenance and repairs

Office Expenses

- Delivery items (coffee, water, etc)
- Supplies (paper, ink, etc)

Home Office Deductions

Divide sq ft of office by total sq ft of house, then multiply the expenses with this amount to obtain the actual amount you're able to deduct.

more info on next page

Small Business Tax Deductions

Security

- Security/surveillance services
- Subscriptions for security
- Security-related products (Ring doorbell, etc)

Software

- Accounting/Invoicing/Bookkeeping
- Credit Card Processing
- Form Template
- CRM
- Project/Industry/Job-specific software

Travel

- Lodging
- Car rental/transportation service
- Airfare

Utilities

- Water
- Sewage
- Trash/waste removal
- Electricity
- Internet
- Cable

Uniforms

- Shirts, hats, etc
(Note: must have your business logo/name on the item to be deductible)

Website

- Domain Name
- Hosting

Other Expenses

- Commissions
- Discounts
- Furniture*
- Janitorial
- Large/Expensive Equipment*
- Laundry and Cleaning
- Medical expenses (premiums, co-pays, dental, vision, etc)
 - (Note: these expenses are usually only deductible if you run payroll through your business)
- Meetings
- Payroll expenses (processing, taxes, wages, etc)
- Recruiting
- Referrals
- Storage
- Supplies that are industry/job specific
- Tools
- Training

Consult a Tax Professional

Whilst most of the listed deductions are 100% deductible, some of them do have special requirements. Please consult a tax preparer/professional when including the expenses with the * next to them.

Please also note: We encourage you to always consult a tax professional when doing your own taxes, especially for your business taxes.

Small Business Tax Deductions

Independent Contractor Information

**If you paid an independent contractor or an outside service \$600 or more (for services provided, NOT products) you are required to provide them with a 1099 NEC form.

NEC = Non-Employee Compensation

If you are required to provide a 1099 NEC form, then you'll need the independent contractor or outside service provider to fill out a W-9 form (so that you can fill out the 1099 NEC form)

Here is a link to the W-9 form:

<https://www.irs.gov/pub/irs-pdf/fw9.pdf>

This form can be purchased at any major office supply store OR you can even order them from the IRS website for free (if using the IRS website you'll have to either handwrite the forms or have a typewriter as they have carbon copies). **

Here is the link for the IRS website:

<https://www.irs.gov/businesses/online-ordering-for-information-returns-and-employer-returns>

Outside Services/Independent Contractor Information

Outside Services or Contractor Information

FILLED OUT W-9 FORM? YES OR NO
(IF NO) FULL NAME: _____
SSN OR EIN: _____
ADDRESS: _____
ADDRESS CONT: _____
AMOUNT PAID: _____

Outside Services or Contractor Information

FILLED OUT W-9 FORM? YES OR NO
(IF NO) FULL NAME: _____
SSN OR EIN: _____
ADDRESS: _____
ADDRESS CONT: _____
AMOUNT PAID: _____

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Outside Services or Contractor Information

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(IF NO) FULL NAME: _____
SSN OR EIN: _____
ADDRESS: _____
ADDRESS CONT: _____
AMOUNT PAID: _____

must issue a 1099 Misc form to all of the outside services/independent contractors that you paid over \$600

Provide your tax preparer the copies of the W-9 forms, if applicable

Small Business Tax Deductions

You can also deduct "Home Office Expenses"

*NOTE: We suggest talking to your tax preparer for the MOST accurate information for your situation. *

Requirements to Claim the Home Office Deduction

1. Regular and exclusive use.
 2. Principal place of your business.
-

Regular and exclusive use - usually you cannot deduct a home office if it's a home office slash guest bedroom or if it has partial use as something else (like kids toy room or gym or etc).

Principal place of your business - this office is the main place you conduct your business, you may use other venues to meet clients, customers, etc but the normal day-to-day operations is here.

If you meet the criteria for a Home-Based Business, you'll then have to do some calculations to see how much you can deduct from your normal living expenses.

You'll need the following information:

Total Square Feet of Home: _____

Total Square Feet of Office: _____

For an example scenario, continue to the next page



Small Business Tax Deductions

Divide the Total Square feet of the Office by the Total Square feet of your home. That will give you a percentage. You will use this to calculate your deductions. (see below for an example)

To put it simply, take expenses like monthly Mortgage/Rent and multiply it by the percentage you just calculated. The result is the monthly deduction you can take for that expense.

Example: I have a 1000 square foot home, my office is 110 square feet that means my percent I can use is 11%. ($110/1000 = .11$) My monthly rent is \$1,250. So if I multiply my rent by my percent I get to write off \$137.50 per month ($\$1,250 \times .11 = \137.50) for rent for my home office expense.

You'll do this calculation for the rest of your home office expenses.

Important Due Dates for 2024 (Or tax year 2023)

Personal Tax Returns		Due Date/ Date to File Extension	Extension Due Date
Federal	Form 1040/1040A/1040EZ <small>Includes: Schedule C (Sole Proprietorships/Single Member LLCs)</small>	April 15, 2024	October 15, 2024
State	Each state has different forms	April 15, 2024	October 15, 2024
Business Tax Returns		Due Date/ Date to File Extension	Extension Due Date
Federal			
S-Corporation	Form 1120S	March 15, 2024	September 16, 2024
Partnerships	Form 1065	March 15, 2024	September 16, 2024
C-Corporation	Form 1120	April 15, 2024	October 15, 2024

State

Each state has different forms, some states that do not have income tax will not have to file a tax return. If your state does require a tax return, it is best to file both Federal and state returns at the same time.

****Please note: if you owe on your tax returns, filing an extension does not extend the time to pay. The balance that is owed is still due on the original due date (not on the extended due date)****

Other Business Forms

		Due Date
Form 1099-NEC	Filed Electronically to IRS	January 31, 2024
<ul style="list-style-type: none"> "Non-Employee Compensation" - usually for outside services or Independent contractors. (paid \$600 or more) 	Filed Paper to IRS	January 31, 2024
	Filed to recipients	January 31, 2024

****NOTE: THESE ARE APPROXIMATE DATES BASED ON THE PAST YEARS, DUE TO COVID-19 THESE DATES MAY BE POSTPONED****