



Write-Offs for Independent Contractor

"To be deductible, a business expense must be both ordinary and necessary. 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," according to the Internal Revenue Service.

Every single "ordinary and necessary" item in the shop qualifies as a tax deduction

Accounting Fees:

- The amount you paid someone to prepare your taxes the previous year (only if your tax return included your business income).
- Charges associated with accepting credit cards

Advertising/Marketing:

- Business Cards
- Flyers
- Banners
- Posters
- Sponsoring
- Referrals
- Websites/Radio/TV
- Web Based Promotions
- Newspaper Ads/Any Ads
- Flags
- Brochures
- Any materials you use to advertise (i.e. key rings, pens, magnets, referrals)

Association Membership Fees:

- Joining your state or national association of your trade
- If you subscribe to a publication or publications from your association

Automobile and Trunk Expense:

- You can deduct the actual expenses of your car/trunk. This cannot be used if you are claiming Mileage as an expense.
- *Bring in receipts, invoices and records for both Mileage and Actual Cost for your car, so we can decide what is best for you.

Bank Charges:

- Checking and Saving Account Fees
- ATM Withdrawals Fees
- Safe Deposit Box

Bad debts:

- If you lent Money to an employee, a vendor or someone else and haven't yet been repaid, you may be able to deduct the loss (its needs to be treated as a bad business debt).

Contractors:

- Janitorial Professional
- Lawncare
- Repair and Maintenance Specialist
- Spoke persons/Speaker
- Snow Removal
- Security Officer
- Website Host

Employee Expenses:

- Employee Wages/Salaries
- Retirement Plans You Offer
- Uniforms

Furniture/Equipment

Gifts to Clients:

- Up to \$25 per Client

Home Office Expense:

- Cell Phone
- Office Phone
- Electric
- Cable
- Security System
- Gas
- Trash
- Mortgage
- Internet
- Water
- Fax Machine Line
- Rent

- *Know the square footage of your home and know the square footage of the space you use solely for your office. You will also deduct all the items listed for an Owner of a Business listed

Interest payments:

- If you financed the purchase of business equipment/supplies on your credit card or loans the interest is a deductible business expense.

Insurance:

- Self-Employment Health Premiums
- Property Insurance
- Employee Health Premiums
- Liability Insurance

Inventory:

- Cost of Goods if you are accrual method of accounting not the cash method of accounting, but if you sell any of your product then we must count that as inventory.

Laundry and Cleaning:

- Towels
- Uniforms

Legal and Professional Fees:

- Lawyer

Licensing Fees:

- Licenses and Permits
- Certifications

Meals and Entertainment:

- If you pick up the tab for entertaining present or prospective clients/customers, you may deduct 50% of the cost if it is directly and associated with the business

Mileage:

- If you use your car in your job or business and you use it only for that purpose, you may deduct its entire cost of operation (subject to limits discussed later). However, if you use the car for both business and personal purposes, you may deduct only the cost of its business use.
- You deduct a certain amount for each mile driven (the standard mileage amount is 54 cents per mile for 2016),

Parking Fees and Tolls

Postage Charges

Rent:

- For the space rent sole for your business

Rental Car Fees

Self-Employment Taxes:

- If you're self-employed, one-half of the Social Security and Medicare taxes you pay on your net income is a personal (not business) deducted.

Supplies

Trainings and Continuing Education:

- *Must be related to your new business. The expense must be earmarked to maintain or improve skills required in your present trade.

Travel and Hotel:

- | | | |
|--------------|-------------------|---|
| ○ Plane Fare | ○ Telephone Calls | ○ Meals |
| ○ Car Rental | ○ Faxes | ○ Shipping Costs for Business Materials |
| ○ Taxis | ○ Tips | ○ Laundry & Dry Cleaning |
| ○ Lodging | | |

Utilities:

- | | | |
|----------------|-------------------|------------|
| ○ Cell Phone | ○ Security System | ○ Internet |
| ○ Office Phone | ○ Gas | ○ Water |

- Electric
- Cable

- Trash

- Fax Machine Line

Wardrobe Expenses:

- Uniform

***Any Expenses that are "ordinary and necessary" to your Business**