



PROFIT MGR
Prioritize Your Profits

The Ultimate *Write-Offs* Guide

PROFIT MANAGER, LLC

PROFIT MGR

Welcome!

Grace Munoz here! The proud owner of Profit Manager, LLC. My goal is to make your tax season more manageable and less stressful!



I've put this guide together for the business owners out there who want to take all the tax deductions they're qualified for (and don't want to risk penalties or audits by taking deductions they shouldn't!).

This guide is not intended as tax advice, you should always consult with a tax professional to determine which expenses are deductible for your specific business.

A background image showing a white cup of coffee on a wooden coaster, a laptop keyboard, and a hand holding a pencil.

Index

- 03 What is a Write-Off?
- 04 IRS Definitions
- 05 Burden of Proof
- 06 Common Tax Write-Offs
- 10 What Isn't Deductible?

What *is* a tax write-off?

A tax write-off is a qualifying ordinary and necessary business expense that you can deduct from your business's taxable income.

COMMON MISCONCEPTION: You don't need an LLC to write off your business expenses. You can write off qualified business expenses if you are self-employed, are a sole proprietor, or own an LLC, a partnership, or a corporation.



Per IRS Definitions

Ordinary

An ordinary expense per the IRS is...

An ordinary expense is one that is common and accepted in your industry. For example, an ordinary expense for a hair salon is shampoo.



Necessary

A necessary expense per the IRS is...

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.



But there's more...

The Burden of Proof

Evidence

The IRS requires you to prove that your deduction is qualified. For some write-offs, the below documents will be sufficient:

- Receipts
- Cancelled Bills
- Checks

Other types of write-offs (like travel, meals, auto and home office expenses) will require additional documentation like:

- Mileage Logs
- Meeting Minutes/Attendance
- Business Purpose
- Business Use vs. Personal Use



Common Tax Write-Offs

Advertising & Marketing

- Social Media Manager
- Web Design
- Logo Creation
- Signage
- Print Marketing
- Paid Advertising

Business Travel*

- Airline Fares
 - Lodging Costs
 - Rental Cars
 - Train or Bus Fares
- *Special qualifications apply to travel deductions

Banking Fees

- Service Charges
- Payment Processing Fees
- ACH/Transfer Fees
- Annual Fees

Common Tax Write-Offs

Contractors

Cost of Goods Sold

- Inventory
- Direct Labor Costs
- Manufacturing Costs

Depreciation & Amortization

Education*

- Conferences
 - Industry Publications
 - Webinars
 - CE Courses
- *Must be related to your business's industry



Common Tax Write-Offs

Business Licenses

Office Expenses

- Rent Expense
- Office Supplies
- Internet Expense
- Utilities
- Cleaning Services
- Technology

Payroll Expenses

- Wages
- Employee Benefits
- Bonuses
- Payroll Taxes
- Retirement Contributions

Qualifying Business Loan Interest

Common Tax Write-Offs

Qualifying Meals

Qualifying Taxes Paid

Vehicle(s)*

- Mileage
- Gas/Fuel
- Depreciation

- Maintenance & Repairs

*Portion of business use

Please note, this is not an exhaustive list of business deductions. Determine which write-offs your business is qualified to take by working with a tax accountant.

What isn't tax deductible?

For your business, generally, personal expenses are not deductible unless there is a portion of business use related to the personal expense (like a vehicle you use for your business and personal use). Then, you can only deduct the business-related portion of the total expense.

Other non-deductible expenses include:

- Fines & Penalties
- Political Contributions
- Federal Taxes



LET'S WORK TOGETHER!

I help business owners with their accounting needs so that YOU have more time to spend doing what you love!

Ready to save time and money in 2024? Visit my website to get started!

WWW.PROFITMGR.COM