

**BUSINESS INCOME
AND EXPENSE
(SOLE PROPRIETORSHIP)**

Principal business or profession _____

Principal business code _____

Business name, if different _____

Business address if different
from mailing address _____

City _____ State _____ Zipcode _____

Business employer identification number, if different _____

Taxpayer

Spouse

Accounting method: Cash Accrual Other _____

Inventory method: Cost Lower of cost or market
Other N/A

Did you materially participate in business? Yes No

See vehicle expenses and/or office use of home, if applicable.

Any asset additions should be noted on Asset Acquisition Form.

Check if this is the first year of the business.

Income

- 1. Gross receipts or sales 1. _____
- 2. Returns and allowances 2. _____

Other income _____

Cost of goods sold

- 1. Beginning of year inventory 1. _____
- 2. Purchases 2. _____
- 3. Cost of items used personally 3. _____
- 4. Cost of labor 4. _____
- 5. Materials and supplies 5. _____
- 6. Other costs 6. _____
- 7. End of year inventory 7. _____



**BUSINESS INCOME
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continued

Expenses

1.	Advertising	1.		
2.	Bad debts (N/A cash basis)	2.		
3.	Commissions and fees	3.		
4.	Employee benefits	4.		
5.	Employee health insurance	5.		
6.	Other insurance	6.		
7.	Mortgage interest reported on Form 1098	7.		
8.	Other interest	8.		
9.	Legal and accounting fees	9.		
10.	Allocation of tax preparation fees	10.		
11.	Office expense	11.		
12.	Pension and profit sharing plans	12.		
13.	Rent, vehicles	13.		
14.	Rent, equipment	14.		
15.	Rent, building	15.		
16.	Repairs and maintenance, building	16.		
17.	Repairs and maintenance, equipment	17.		
18.	Repairs and maintenance, vehicles	18.		
19.	Supplies	19.		
20.	Payroll taxes	20.		
21.	Other taxes:			
	<u>Description</u>			
	21a. _____	21a.	_____	
	21b. _____	21b.	_____	
	21c. _____	21c.	_____	
	21d. _____	21d.	_____	
22.	Licenses	22.		
23.	Travel	23.		
24.	Meals and entertainment (in full)	24.		
25.	Utilities	25.		
26.	Wages	26.		
27.	Management fees	27.		
28.	Consulting expenses	28.		
29.	Payroll service	29.		
30.	Employee vehicle expenses	30.		
31.	Employee mileage reimbursements	31.		
32.	Client gifts limited to \$25 each	32.		
33.	Education and seminars	33.		
34.	Other:			
	<u>Description</u>			
	34a. _____	34a.	_____	
	34b. _____	34b.	_____	
	34c. _____	34c.	_____	
	34d. _____	34d.	_____	
	34e. _____	34e.	_____	
	34f. _____	34f.	_____	



**BUSINESS USE
OF HOME**

Do you use any part of your home regularly and exclusively for business? YES NO

Estimated percentage of time spent in home office compared to total time spent in this business activity (e.g., 10%, 20%) _____

Description of work done in home office _____

Description of work done outside of home office _____

Total area of home _____

Total area of home used regularly for business _____

	Direct costs (benefit only business portion of home)	Indirect (other)
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Home insurance	_____	_____
Repairs and maintenance	_____	_____
Utilities	_____	_____
Rent	_____	_____
Other _____	_____	_____

If daycare facility:
 Days as daycare facility _____
 Hours per day used as daycare facility _____

Prior year carryover of unallowed losses _____

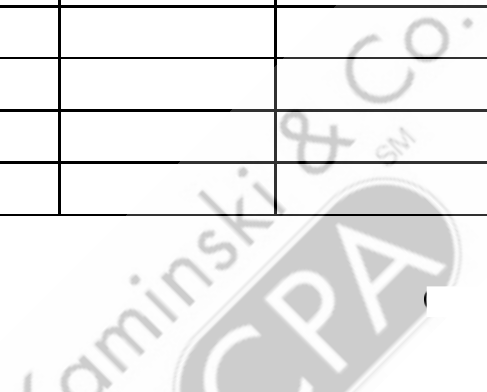
Cost of home and improvements and prior depreciation _____

Cost of home, improvements, furniture, and equipment should be included on Asset Acquisition Form.



**ASSET
ACQUISITION LIST**

	Description	Activity	Date acquired	Cost	Business use %
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					



**EMPLOYEE BUSINESS
EXPENSE
(OTHER THAN VEHICLE)**

Taxpayer Spouse

Activity/Employer _____

Expenses

- | | | | |
|------|---|------|-------|
| 1. | Lodging | 1. | _____ |
| 2. | Meals and entertainment (in full) | 2. | _____ |
| 3. | Airfare | 3. | _____ |
| 4. | Car rental | 4. | _____ |
| 5. | Local transportation | 5. | _____ |
| 6. | Education | 6. | _____ |
| 7. | Office supplies | 7. | _____ |
| 8. | Printing | 8. | _____ |
| 9. | Postage | 9. | _____ |
| 10. | Other: | | |
| | <u>Description</u> | | |
| 10a. | _____ | 10a. | _____ |
| 10b. | _____ | 10b. | _____ |
| 10c. | _____ | 10c. | _____ |
| 10d. | _____ | 10d. | _____ |
| 10e. | _____ | 10e. | _____ |
| 10f. | _____ | 10f. | _____ |
| 10g. | _____ | 10g. | _____ |

Reimbursements not on W-2

- | | | | |
|----|-------------------------------|----|-------|
| 1. | Meals and entertainment | 1. | _____ |
| 2. | Other reimbursements | 2. | _____ |



VEHICLE EXPENSE

Taxpayer Spouse

Activity(s) _____

Was another vehicle available for personal use? YES NO

If employer provided vehicle, is personal use during off-duty hours permitted? YES NO

Do you have evidence to support deduction? YES NO
 If yes, is evidence written? YES NO

	<u>Vehicle 1</u>	<u>Vehicle 2</u>
Is vehicle owned or leased?	_____	_____
Vehicle description	_____	_____
Date placed in service	_____	_____
Original cost	_____	_____
Prior depreciation	_____	_____

Mileage

A For employer and temporary job sites	A	_____
B For self-employment	B	_____
C For rental activity	C	_____
D From job to school	D	_____
E Between 1st and 2nd jobs	E	_____
F Commuting to and from work	F	_____
G Investment/tax preparation	G	_____
H Charitable	H	_____
I Other personal miles	I	_____
J Total miles	J	0.00
Average daily commuting miles		

Note: the sum of items "A" through "I" should equal item "J", the total miles the vehicle was driven during the year.



VEHICLE EXPENSE

continued

		<u>Vehicle 1</u>	<u>Vehicle 2</u>
<u>Expenses</u>			
1. Gas	1.	_____	_____
2. Parking and tolls	2.	_____	_____
3. Lease payments	3.	_____	_____
4. Initial value of vehicle being leased	4.	_____	_____
5. Repairs and maintenance	5.	_____	_____
6. Maintenance supplies	6.	_____	_____
7. Car washes and waxes	7.	_____	_____
8. Tires	8.	_____	_____
9. Insurance	9.	_____	_____
10. Interest (sole proprietor only)	10.	_____	_____
11. Auto license	11.	_____	_____
12. Auto registration	12.	_____	_____
13. Value of employer provided vehicle on W-2	13.	_____	_____
14. Other:			
<u>Description</u>			
14a _____	14a	_____	_____
14b _____	14b	_____	_____
14c _____	14c	_____	_____
14d _____	14d	_____	_____
14e _____	14e	_____	_____
14f _____	14f	_____	_____
14g _____	14g	_____	_____



