

## Deductible Self-Employed Expenses

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, electricity, 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 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 on 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 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.