

This worksheet contains many of the most common expenses/deductions that self-employed individuals and/or small businesses have as it pertains to income taxes. These are NOT all of the possible expenses/deductions that you can include and not all of these expenses/deductions may apply to you or your business. If you have any questions or need help calculating anything on this worksheet, please let us know. Ideally, all of the information/totals you provide is/are based on records and receipts (something you can use to prove the expense/deduction in case of an audit) but reasonable totals/calculations are also acceptable based on your line/type of work and/or business.

| Expense/Deduction, Explanation and/or Examples | Calculation and Total (01/01 to 12/31) |
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| <p>HOME OFFICE: To qualify as a tax deduction, your work area has to be used exclusively for business (i.e., you can't write off the square footage of your dining room if you do your work at the table during the day) and you need to use the home office regularly as your principal place for conducting business.</p> <p>Simplified Option: Use this method if you're pressed for time or can't pull together good records of your deductible home office expenses. This method is an alternative to the calculation, allocation, and substantiation of actual expenses. In most cases, you will figure your deduction by multiplying the area (measured in square feet) used regularly and exclusively for business, regularly for daycare, or regularly for storage of inventory or product samples, by \$5. The area you use to figure your deduction cannot exceed 300 square feet. You cannot use the simplified method to figure a deduction for rental use of your home.</p> <p>Standard Option: requires you to calculate your actual home office expenses and keep detailed records in the event of an audit.</p> <p>Please Use this section to list home office expenses/deductions related to the business if you did not rent/lease a commercial office/space.</p> | <p>Simplified Method:</p> <p>How big is your home office?</p> <p>_____ X _____ = _____ ft sq</p> <p>Standard Option: Make sure to list down all legitimate business expenses that are directly related to your business (e.g., Insurance, Rent, Utilities, Repairs and maintenance, Home Depreciation, Deductible mortgage interest, etc)</p> |
| <p>RENT/LEASE: If you rented or leased vehicles, machinery, or equipment, enter the business portion of your rental cost. And if you have to pay a fee to cancel a business lease, that expense is deductible, too. Enter amounts paid to rent or lease other property, such as office space in a building.</p> <p>Rent payments made on property that you own or have equity or title to the property cannot be deducted. This section is separate and not the same as the home office expense/deduction. This section is for those individuals or businesses that rented out an office, space or equipment.</p> | <p>Vehicles, Machinery & Equipment \$ _____</p> <p>Business Property \$ _____</p> |
| <p>UTILITIES: Electricity, Air conditioning/heat, water, sewerage, gas, etc in the rented/leased office/space.</p> <p>Any portion of utilities for personal use and not your trade or business are not deductible.</p> | <p>\$ _____</p> |
| <p>TELEPHONE & INTERNET: Monthly service charges and fees paid for telephone service in a commercial office space. Regardless of whether you claim the home office deduction, you can deduct the business portion of your phone, fax, and Internet expenses. The key is to deduct only the expenses directly related to your business.</p> | <p>Telephone \$ _____</p> <p>Internet \$ _____</p> |
| <p>INSURANCE PREMIUMS: Insurance premiums for insurance covering: Fire, storm, theft, accident, Business bad debts Liability Malpractice Workers' Comp Contributions to a state unemployment fund Car insurance on vehicles used for business Life insurance for officers and employees (you are not the beneficiary).</p> | <p>\$ _____</p> |
| <p>ADVERTISING/MARKETING: Business cards, flyers, website, and fees paid to companies like Constant Contact to send promotional emails. Do you pay for Facebook or Google ads, a billboard, a TV commercial, or mailed fliers?</p> | <p>\$ _____</p> |
| <p>INTEREST ON DEBT/LOAN FOR TRADE/ BUSINESS & BANK FEES: Interest paid on all loans, lines of credit and other liabilities incurred for your trade or business. Interest on Income tax if a loan is used for both business</p> | <p>Bank Fees \$ _____</p> |

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| <p>and personal purposes, then the business portion of the loan’s interest expense is allocated based on the allocation of the loan’s proceeds. You can also write off any fees and additional charges on your business bank account and credit card, such as monthly service fees and any annual credit card fees.</p> <p>If you have a mortgage on real property used in your business, enter the interest you paid for to banks or other financial institutions for which you received a Form 1098 (or similar statement). If you did not receive a Form 1098, enter the interest.</p> | <p>Bank Interest \$ _____</p> <p>Mortgage Interest: \$ _____</p> |
| <p>LEGAL AND PROFESSIONAL FEES: Fees paid to attorneys and CPAs who provide services to your trade or business. Any professional service fees that are necessary to the functioning of your business, such as legal, accounting, and bookkeeping services, are deductible for tax purposes.</p> <p>Include fees for tax advice related to your business and for preparation of the tax forms related to your business. If you use accounting or bookkeeping software for your business, that would also qualify as a tax deduction.</p> | <p>\$ _____</p> |
| <p>COMMISSIONS AND FEES: Enter the total commissions and fees for the tax year. Do not include commissions or fees that are capitalized or deducted elsewhere on your return. You must file Form 1099-NEC to report certain commissions and fees of \$600 or more during the year.</p> | <p>\$ _____</p> |
| <p>CONTRACT LABOR: Enter the total cost of contract labor for the tax year. Contract labor includes payments to persons you do not treat as employees (for example, independent contractors) for services performed for your trade or business. You must file Form 1099-NEC to report contract labor payments of \$600 or more during the year.</p> | <p>\$ _____</p> |
| <p>REPAIRS & MAINTENANCE: Minor repairs like painting, cleaning & repairing roof, fixing plumbing leaks - (Note: major repairs that will increase the value of the property are subject to depreciation). Deduct the cost of incidental repairs and maintenance that do not add to the property's value or appreciably prolong its life. Do not deduct the value of your own labor. Do not deduct amounts spent to restore or replace property; they must be capitalized.</p> | <p>\$ _____</p> |
| <p>SUPPLIES AND MATERIALS: In most cases, you can deduct the cost of materials and supplies only to the extent you actually consumed and used them in your business during the tax year. You can also deduct the cost of books, professional instruments, equipment, office supplies, cleaning supplies, books, printer ink, paper, light bulbs etc. if you normally use them within a year. However, if their usefulness extends substantially beyond a year, you must generally recover their costs through depreciation.</p> | <p>\$ _____</p> |
| <p>TAXES, LICENSES AND PERMITS: State and local sales taxes imposed on you as the seller of goods or services. If you collected this tax from the buyer, you must also include the amount collected in gross receipts or sales. Real estate and personal property taxes on business assets. Licenses and regulatory fees for your trade or business paid each year to state or local governments (e.g., Business license, liquor license, realtor license and other permits required for your trade or business). Federal highway use tax. Contributions to state unemployment insurance fund or disability benefit fund if they are considered taxes under state law.</p> <p>***The following are NOT deductible: Federal income taxes, including your self-employment tax. Estate and gift taxes. Taxes assessed to pay for improvements, such as paving and sewers. Taxes on your home or personal use property. State and local sales taxes on property purchased for use in your business. Instead, treat these taxes as part of the cost of the property. State and local sales taxes imposed on the buyer that you were required to collect and pay over to state or local governments. Other taxes and license fees not related to your business.</p> | <p>\$ _____</p> |
| <p>PAYROLL TAXES: Social security and Medicare taxes paid to match required withholding from your employees’ wages. Federal unemployment tax paid, State and Federal Income taxes.</p> | <p>\$ _____</p> |

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| <p>MEALS: Enter your deductible business meal expenses. This includes expenses for meals while traveling away from home for business. Your deductible business meal expenses are a percentage of your actual business meal expenses or standard meal allowance. In most cases, the percentage is 50%. However, business meals are 100% deductible if the meals are food or beverages provided by a restaurant and paid or incurred after December 31, 2020, and before January 1, 2023.</p> <p>You can deduct all or a percentage of the actual cost of a meal if the following conditions are met.</p> <p>The meal expense was an ordinary and necessary expense in carrying on your trade or business; The expense was not lavish or extravagant under the circumstances; You or your employee was present at the meal; The meal was provided to a current or potential business customer, client, consultant, or similar business contact; and In the case of food or beverages provided during or at an entertainment event, the food and beverages were purchased separately from the entertainment, or the cost of the food and beverages was stated separately from the cost of the entertainment on one or more bills, invoices, or receipts.</p> | <p>\$ _____</p> |
| <p>TRAVEL: To qualify as a tax deduction, business travel must last longer than an ordinary workday, require you to get sleep or rest, and take place away from the general area of your tax home (usually, outside the city where your business is located). Further, to be considered a business trip, you should have a specific business purpose planned before you leave home and you must actually engage in business activity—such as finding new customers, meeting with clients, or learning new skills directly related to your business—while you are on the road. All expenses related to business travel can be written off at tax time, including airfare, hotels, rental car expenses, tips, dry cleaning, meals and more.</p> | <p>\$ _____</p> |
| <p>CLUB DUES AND MEMBERSHIP FEES: Dues/Fees paid to the following orgs: Business leagues Chambers of commerce Civic or public service orgs Professional orgs Real estate boards Trade associations</p> <p>Dues paid to the following orgs: Country clubs Golf & athletic clubs Hotel clubs Sporting clubs Airline clubs are not deductible.</p> | <p>\$ _____</p> |
| <p>SUBSCRIPTIONS: Subscriptions to professional, technical, and trade journals for your business field.</p> <p>Subscriptions to magazines that do not pertain to your business and are for entertainment purposes; Time, People, US magazine are not deductible.</p> | <p>\$ _____</p> |
| <p>CONTINUING EDUCATION: Registration fees and materials for seminars and courses that provide you with continuing education credits for your trade or business. Any education expenses you want to deduct must be related to maintaining or improving your skills for your existing business. The cost of classes to prepare for a new line of work isn't deductible.</p> | <p>\$ _____</p> |
| <p>FRANCHISE, TRADEMARK, TRADE NAME: Costs incurred to purchase a franchise, trademark or trade name.</p> | <p>\$ _____</p> |
| <p>BUSINESS START-UP COSTS AND ORGANIZATIONAL COSTS: If you launched a new business venture in the latest tax year, you can deduct as much as \$5,000 in startup expenses you incurred in the launch of your business. That can include costs associated with marketing your new business, travel, and training costs.</p> <p>Business expenses such as buying equipment or vehicles aren't considered startup costs, but they can be depreciated or amortized as capital expenditures.</p> | <p>\$ _____</p> |
| <p>BUSINESS BAD DEBTS: Unpaid amounts not received from a customer for services rendered can be deducted as bad debt.</p> | <p>\$ _____</p> |
| <p>CAR AND TRUCK EXPENSES: When you use your car for business, your expenses for those drives are tax-deductible. Make sure to keep excellent records of the date, mileage, and purpose for each trip, and don't try to claim personal car trips as business car trips. If your car use is mixed between</p> | <p>Vehicle Make, Model, Year: _____</p> <p>Date Vehicle was placed in use: _____</p> |

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| <p>business and personal reasons, you can only deduct costs that are related to the business usage of the vehicle. You can deduct the actual expenses of operating your car or truck or take the standard Mileage rate. This is true even if you used your vehicle for hire (such as a taxicab). You must use actual expenses if you used five or more vehicles simultaneously in your business (such as in fleet operations). You cannot use actual expenses for a leased vehicle if you previously used the standard mileage rate (56 cents per mile) for that vehicle. You can take the standard mileage rate for 2021 only if you:</p> <ul style="list-style-type: none"> • Owned the vehicle and used the standard mileage rate for the first year you placed the vehicle in service, or • Leased the vehicle and are using the standard mileage rate for the entire lease period. <p>To use the actual expense method, you must calculate the percentage of driving that you did for business all year as well as the total cost of operating your car, including gas, oil, repairs, maintenance, depreciation of your original vehicle and improvements, car repair tools, license fees, parking fees for business trips, registration fees, tires, insurance, car washing, lease payments, towing charges, and auto club dues.</p> | <p>_____</p> <p>Total Business Miles in tax year:</p> <p>_____</p> <p>If vehicle was purchased during year what was the total cost of vehicle:</p> <p>_____</p> <p>If vehicle was leased, how much was paid during the year:</p> <p>_____</p> <p>*If you are using the actual expense method, please have the total of each separate expense.</p> |
| <p>DEPRECIATION: Depreciation is the annual deduction allowed to recover the cost or other basis of business or investment property having a useful life substantially beyond the tax year. You can also depreciate improvements made to leased business property. Depreciation starts when you first use the property in your business or for the production of income. It ends when you take the property out of service, deduct all your depreciable cost or other basis, or no longer use the property in your business or for the production of income. Listed property generally includes but is not limited to: Passenger automobiles weighing 6,000 pounds or less; Any other property used for transportation if the nature of the property lends itself to personal use, such as motorcycles, Pickup trucks, etc.; and Any property used for entertainment or recreational purposes (such as photographic, phonographic, communication, and Video recording equipment)</p> | <p>\$ _____</p> |
| <p>NOTES & CALCULATIONS:</p> | |
| <p>I certify that I have completed this worksheet to the best of my knowledge and provided truthful and accurate information and that I have based these totals/calculations on relevant and appropriate records and receipts.</p> | <p>Name: _____</p> <p>Signature: _____</p> <p>Date: _____</p> |