

Business Expense List 1: also see Pub 535, www.irs.gov

Business Expense List

Your name:

Business Name (DBA)

Tax Year

Total Gross Receipts \$

A. Expenses Amount

- 1. Officers Compensation/salaries and wages
- 2. Payroll Taxes
- 3. Repair and Maintenance
- 4. Office rent
- 5. Advertising
- 6. Accounting
- 7. Bank charges
- 8. Janitorial
- 9. Supplies
- 10. Equipment rent
- 11. Insurance (Workers Compensation, Liability, etc.)
- 12. Legal and professional consulting
- 13. Office expense
- 14. Outside services/ subcontractors
- 15. Licenses and permits
- 16. Parking fees and tolls
- 17. Postage and delivery
- 18. Printing and reproduction
- 19. Dues and subscriptions
- 20. Telephone
- 21. Small tools
- 22. Materials
- 23. Meals and entertainment
- 24. Uniforms
- 25. Laundry, upkeep (uniforms)
- 26. Utilities
- 27. Security
- 28. Travel
- 29. Other expenses:
 - a.
 - b.
 - c.
 - d.
 - e.

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Business Expense List 2

B. Automobile Expenses:

- 1. If you deduct actual expenses specify:
 - gasoline and oil
 - repair and maintenance
 - car wash
 - insurance
 - registrations
 - loan interest (only interest paid, not entire payment)
- 2. If you deduct miles specify:
 - odometer reading as of January 1st
 - odometer reading as of December 31st
 - total miles driven
 - business miles during this period

C. Additional Expense List for Transportation Workers

- 1. Truck insurance \$ _____
- 2. „DOT” inspections \$ _____
- 3. „Heavy Vehicle Highway Use Tax” \$ _____
- 4. „IFTA” \$ _____
- 5. Loan interest (truck and trailer) / only interest paid, not whole payment \$ _____
- 6. Scales \$ _____
- 7. Truck wash \$ _____
- 8. Transportation registration and plates \$ _____
- 9. Medical examinations (occupational) \$ _____
- 10. Meals-Per Diem rates allowances \$ _____

D. List of Assets

Description Date of purchase Cost of purchase

- 1..... \$ _____
- 2..... \$ _____

Signature _____ Date _____
 Telephone _____

Business Expenses

Employees:

Includes expenses for your job for which you weren't reimbursed, but you only get the amount in excess of 2% of your AGI (adjusted gross income), and only if you can itemize. For instance, if your AGI is \$100,000, you must have at least \$2,000 in employee business expenses before you will begin to benefit from the deduction.

Self-Employed:

You are allowed to deduct most business expenses in full.

See IRS Publication 535 for more information.

Advertising and Promotion Expenses (Self-employed)

Books and Publications

- Books, trade journals, newspapers and publications for your trade or profession

Dues and Fees:

- Dues to a professional organization for people in your profession
- Union dues, initiation fees, and assessments for benefit payments to unemployed union members.
- Regulatory fees for your profession
- Dues to chambers of commerce and similar organizations if the membership helps you carry out your job duties (see exceptions).
- Licenses paid to state or local governments

Education and Research

- Educational expenses related to your present work that maintains or improves your skills.
- Research expenses

Equipment and Supplies

- Business use of computer. Employees: Must be for the convenience of your employer and required as a condition of your employment.
- Supplies and tools you use in your work

Home Office

- Expenses for an office in your home IF part of the home is used regularly and exclusively for your work. Employees: the use of your home office must also be for the convenience of your employer.
- For more information, see IRS Publication 587

Internet

- Employees: Must be for the convenience of your employer and required as a condition of your employment.

Job hunting expenses (Employees)

To deduct job hunting expenses, you must be looking for a job in your present line of work (i.e., you're not changing professions or looking for your first job). Expenses include:

- Resume preparation (drafting, typing, printing, mailing, faxing)
- Employment agency fees
- Executive recruiters' fees
- Portfolio preparation costs
- Career counseling to assist you in improving your position

- Legal and accounting fees you pay in connection with employment contract negotiations and preparation
- Advertising
- Transportation costs to job interviews
- Long distance calls to prospective employers
- Newspapers you purchase to read the employment ads
- Other business publications you purchase to read the employment ads
- Half of your meals you pay for that are directly related to your job search
- If you take a trip away from home to look for a new job, your expenses for traveling, lodging, meals (50% of the cost), etc. are deductible only if the primary purpose of your trip is to look for a job. To substantiate the purpose of your trip, keep a daily log of your interviews, application efforts, etc.

Meals and Entertainment

- Meals and entertaining costs with a clear business purpose (i.e., meeting with clients) (only 50% of the cost is deductible). Keep a record of the date, place, amount of expenses, people present, business purpose, and business discussed. Also keep receipts for expenses in excess of \$75.
- For more information, see IRS Publication 463

Telephone Charges

- Business use of cellular phone
- Cost of long-distance business calls charged to home phone
- Separate business telephone (home phone line is not deductible)

Travel and Transportation

- Traveling costs incurred while away from home on business
- Traveling costs paid in connection with a temporary work assignment
- Transportation between your home and a temporary work location if you have no regular place of work but you ordinarily work in the metropolitan area where you live and the temporary work location is outside that area
- Transportation between your home and a temporary work location if you have at least one regular workplace for this employment. It doesn't matter how far away the temporary location is in this case.
- Transportation from one job to another if you work two places in one day
- If you are self-employed and your home is your principal place of business, all business travel is deductible.
- For more information, see IRS Publication 463

Uniforms and Gear

- Protective clothing and gear
- Uniforms (except if you're full-time active duty in the armed forces)
- Dry cleaning costs for your uniforms or protective clothing (not for your everyday clothing, though)
- Specialized clothing designed for your job, as long as it's not suitable for everyday wear
- Safety equipment, such as hard hats, safety glasses, safety boots, and gloves

Miscellaneous

- Gifts, but only up to \$25 per recipient
- Passport for business travel
- Postage
- Office supplies
- Printing and copying
- Legal and professional services (tax preparation fee)
- Medical exams required by your employer
- Occupational taxes if they're charged at a flat rate by your city or other local government for the privilege of working in that area
- Business liability insurance premiums
- Job dismissal insurance premiums
- Damages you pay to a former employer for a breach of employment contract

- Employee contributions to state disability funds

Self-Employed Only

- Interest on business loans
- Self-Employed health insurance (partial)
- Commissions and fees
- Business insurance
- Keogh or SEP contributions
- Rental of business property
- Office rent and utilities
- Repairs and maintenance
- Business taxes and licenses

Expenses You Cannot Deduct

People commonly hope to deduct some of the following expenses, but unfortunately they are not deductible.

Non-Deductible Expenses:

- Expenses that were reimbursed by your employer.
- Apartment rent, unless qualified to claim away from home expenses for a business trip expected to last one year or less (Temporary Living Expenses), or if a portion is used as a home office (special rules apply to both cases). Also, may be deductible if maintained for the sole purpose of going to school if your education expenses qualify for the business deduction.
- Clothing that is adaptable to everyday wear (this includes suits, evening wear, etc.).
- Commuting costs (subways and rail fares, and vehicle use including tolls, gasoline, and parking). Exception if qualified as being away from home on business or as part of Temporary Living Expenses.
- Dues to country clubs, golf and athletic clubs, and airline and hotel clubs.
- Home phone line
- Job hunting expenses if you're looking for your first job, or changing professions.
- Dry cleaning and laundry (unless you're on a business trip)
- Legal fees and closing costs involved in purchasing a property
- Fees for taking an exam to qualify you in a profession (e.g., Bar Exam, GRE, etc.)
- Immigration visa expenses, such as for obtaining a Green Card or H-1B visa.
- Moving expenses that were not associated with your job and were less than 50 miles.
- Moving expenses if you are claiming temporary living expenses.
- Meals, unless for business meetings, or while away from home on business. Also, allowable as part of Temporary Living Expenses.
- Lunch on the job.
- Personal expenses, such as grooming and maintenance (gym membership) unless they are directly related to your business (e.g., models, actors).
- Any other personal expenses for which there is no provision for a deduction in the Tax Code.
- Interest on personal loans.
- Support of family members, unless they qualify as your dependents.
- Personal vacations.
- Cosmetic surgery to improve personal appearance
- Contributions made to individuals or foreign charities.
- Student loan interest if adjusted gross income is greater than \$75,000 (single) or \$150,000 (married).
- Student loan principal.