

Business Expense Tax Deductions

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| <ul style="list-style-type: none"> ● <u>Cost of Materials Resold</u> <ul style="list-style-type: none"> ● Purchase of items for resale ● Shipping and Freight ● <u>Material and supplies</u> <ul style="list-style-type: none"> ● Supplies to run the manufacturing department ● Shipping supplies ● <u>Other Costs</u> <ul style="list-style-type: none"> ● Dump fees ● Storage costs ● Uniforms and cleaning ● <u>Advertising</u> <ul style="list-style-type: none"> ● Yellow Pages ● Promotional flyers and mailers ● Newspaper ads ● Imprinted small gifts for handouts ● Radio and TV ads ● Internet ads ● Small signs ● Ad agency fees ● <u>Auto expense</u> <ul style="list-style-type: none"> ● Mileage @ 0.37 + parking + interest expense on auto loan OR ● Actual expenses of gas, insurance, tabs, repairs, interest, tires, auto accessories, and depreciation or lease expense. ● <u>Bad Debts: NSF checks</u> ● <u>Commissions and fees</u> <ul style="list-style-type: none"> ● Independent sales representatives ● Referral fees ● Finders fees ● <u>Employee Benefits</u> <ul style="list-style-type: none"> ● The following are deductible under a tax benefit plan where certain legal conditions apply: <ul style="list-style-type: none"> ● Medical insurance ● Medical expenses: doctors, dentists, drugs. | <ul style="list-style-type: none"> ● Disability ins. ● Term life ins < 50,000 coverage ● SEP, Simple, or Profit sharing contributions ● <u>Equipment</u> <ul style="list-style-type: none"> ● Furniture and equipment ● Computers ● Printers ● Furniture ● Desks ● Tables ● Photocopiers ● Construction equipment ● Machinery ● <u>Insurance</u> <ul style="list-style-type: none"> ● Bond ins. ● Business ins. ● Errors and omissions ins. ● Property ins. ● Rental ins. ● <u>Interest Expense</u> <ul style="list-style-type: none"> ● Auto loans ● Mortgage loans ● Credit card interest for business expenses ● Equipment loans ● <u>Legal and Professional</u> <ul style="list-style-type: none"> ● Legal ● Accounting ● Consulting ● Billing Services ● Answering serv. ● Temp. agency fees ● <u>Office expense</u> <ul style="list-style-type: none"> ● Bank charges ● Business related education and continuing education costs ● Credit card processing fees ● Business association dues and subscriptions (not club dues) | <ul style="list-style-type: none"> ● Printing ● Postage and freight ● Office supplies such as paper and etc. ● Small office furniture, computer software, and equipment < \$1,000 each ● Books and magazines ● Clocks, pictures, water cooler rentals, coffee and sodas for clients and employees ● Business gifts < \$25 ● <u>Rent</u> <ul style="list-style-type: none"> ● Office, warehouse, storage and manufacturing space + common area maintenance charges ● Meeting room rentals ● Rental tools and equipment ● Small equipment leases ● Signs ● <u>Repairs and maintenance</u> <ul style="list-style-type: none"> ● To Equipment ● To Furniture ● To Machinery ● To Tools ● Janitorial ● Yard maintenance ● <u>Taxes</u> <ul style="list-style-type: none"> ● Real estate taxes ● WA excise tax ● City excise tax ● FICA tax ● FUTA tax ● Labor and Industries ● SUTA tax ● Personal property tax ● State and city licenses ● <u>Meals, entertainment and travel</u> <ul style="list-style-type: none"> ● Business meals including Dutch Treat meals ● Athletic and theater events before or after business discussions | <ul style="list-style-type: none"> ● Lodging while traveling for business ● Entertaining at home for business ● Incidental expenses while traveling for business: cleaning and etc. ● Airfare, gas, taxi, shuttle, parking, miles to airport, auto rental. ● Employee events ● Employee dinners to work overtime ● <u>Utilities</u> <ul style="list-style-type: none"> ● Gas ● Electric ● Water ● Garbage ● Cable TV ● Telephone <ul style="list-style-type: none"> ● Cell ● Local and long distance ● Internet and website hosting serv. ● Alarm service ● Pager ● Answering Services ● <u>Wages</u> <ul style="list-style-type: none"> ● Wages paid to: <ul style="list-style-type: none"> ● Employees ● Spouse ● Children ● <u>Office in the Home</u> <ul style="list-style-type: none"> ● Business portion of: <ul style="list-style-type: none"> ● Real estate taxes ● Mortgage Interest ● Gas, electric, water, garbage ● Repairs ● Home insurance ● Home improvements ● SQ Ft office / Total Home |
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