

♥ business deductions for 202_ ♥

	Description / Example	Therapists	
Advertising	website, business cards, flyers, design fees,	Psych Today	💰
Car and Truck	parking fees, ferry, tolls + mileage/actual costs *		💰
Commissions and Fees	official ones, e.g. broker fees		💰
Contract Labor	independent contractors who are not professionals		💰
Depreciation/Section 179	assets, items, tools that cost over \$100 *		💰
Insurance	general liability		💰
Interest	on business loans, or lines of credit - used solely for business		💰
Legal and Professional	lawyers, accountants, anyone requiring prof. license, your own professional dues, prof. license	Supervisor, Prof. License Prof. Insurance, Memberships	💰
Office expense	paper, ink, folders, notebooks, postage, software	Simple Practice Furniture, Décor, Artwork, Plants, Bottled Water, Light bulbs,	💰
Rent or Lease	for office, equipment		💰
Repairs and Maintenance	computers, tools, equipment		💰
Supplies	stuff you need for your service or products and books, magazines, tea, music	Kleenex, Tea, Essential Oils, Music Subscription	💰
Taxes and Licenses	business licenses, entity fees, B+O tax	PLLC renewal	💰
Travel	airfare, lodging, meals during travel		💰
Meals	meals in town - normally 50%, in 2021 - we get to take 100% *		💰
Utilities	cell phone, Dropbox, wi-fi, percentage of home utilities (if applicable)		💰
Other - Bank Fees	fees from banks, credit cards, PayPal, Stripe, etc.		💰
Other - Prof. Development	classes, consulting, conferences, retreats, webinars	Cry Camp, Taxes & Snaxes, Retreats	💰
Other - _____			💰

Mileage	Odometer Beginning of year _____ End of Year _____	Miles Commuting _____ Business _____ Personal _____	_____ miles x \$0.56 =
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Home Office	Simplified method (sq. footage) OR complex method
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find your business deductions

mindset

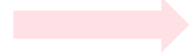
You are not required to report every single biz expense
If you put something in the wrong category, that's okay, as long as it's reported only 1x

what to know

Almost everything you spend on your biz can be deducted - a matter of category and %
Business Deductions help us to pay the right amount of tax
We need them for finding our Profit
We have to report subtotals by Category - this gets put on the Schedule C form

Two general types:

- Standard / straightforward
- Special
 - Meals
 - Shared Use
 - Mileage
 - Home office



ProTip: Create an "Ask / Research Later" Category

Evidence - Receipts are #1 choice, bank or credit card statements are accepted

what to do

1 – Find whatever records we have

- Expense report – from program, or our own made-up
- Receipts
- Bank Statements / Credit Card statements

2 – Choose a method to add up

- Receipts + calculator
- List + calculator
- Notebook + calculator
- Excel – list
- Excel – download
- Report – View or download from Qbooks or other Software

3 – Find subtotals for each category

4 – Go on a Treasure Hunt (Look for more!)

- ___ Check other accounts – personal accounts, cash
- ___ Look at empty categories on the Business Deductions page
- ___ Think about once-a-year fees, like Amazon Prime
- ___ Shared use items?
- ___ Ask other folks – does anything look like it's missing?

special conditions

- Car
- Meals
- Shared Use
- Assets

	Option A - Mileage	Option B - Actual Cost
Car	Keep a log of Business Use Mileage (Date, start + end mileage, purpose) App (MileIQ), notebook, or spreadsheet Be aware - Personal, Commuting, and Business Multiply this year's Mileage Rate x Business Miles The amount is added to the Car + Truck Line Online filing programs will do this math for you	Keep track of all costs: gas, repair, insurance Keep a log - to determine % use for Business Multiply all costs by % to get deduction value Add deductible value to Car + Truck Line The software will likely do this for you
Meals	Normally - You can deduct 50% of meals. Either add up the totals for the whole year, then divide in half, Or, find the 50% as you go. In 2021 and 2022 - you may deduct 100% of meals in restaurants To be deductible, they must be with another person, and required for work	
Shared Use	Items - used for both business and personal, e.g. cell phone, computer, software Estimate or calculate a % of business use. Deduct that % of cost. Make a note in your records	
Assets	Assets are sometimes treated differently The deduction may be spread out over several years - depreciation Section 179 is a special rule - that says we can take the whole deduction in one year	