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OVERLOOKED BUSINESS TAX DEDUCTIONS

THAT YOU NEED TO KNOW





In most cases, small business owners are simply not aware of the many tax deductions out there for small businesses.

Do you know how much your business could be saving in tax deductions?





Deducting your business expenses

First of all, let's look at the deductions you can claim for simply operating your business.



1 Going Into Business



As a small business you can deduct up to \$5,000 for both start-up and organizational costs from your tax bill.

This covers any costs paid while you create or investigate creating an active business.

2 Inventory (Cost of Goods)



Some inventory-based businesses will manufacture products or purchase them for resale.

If this is your business model, you can deduct the cost of your inventory, or the cost of the goods you sell.

3 Utilities



Any utilities that you use for your business are fully deductible! This includes things like water, power, trash, and telephone bills.



4 Insurance



Most businesses will take out some form of insurance.

The cost of the business owner's health insurance, business continuation insurance, and business owner's policy are all 100% deductible.

5 Business Property Rent



If you rent your business property, you can deduct your lease payments from taxes.

Alternatively, if you run your business from home, you can also run an eligibility test with the IRS to see if you are entitled to any deductions.

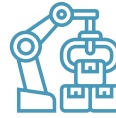
6 Auto Expenses



If you have a car for business purposes, you can usually deduct anything considered a car expense.



7 Rent on Equipment & Machinery



If you lease equipment or machinery for your business you can fully deduct these costs.

This can be anything from printers and copiers, to vans and trucks.

8 Office Supplies



Paper, boxes, pens, staples... they may be small, but they all cost money (which you can deduct from your taxes).

9 Office Furniture



The cost of any furniture you buy for your office can also be deducted!



10 Software Subscriptions



If you've bought or downloaded software for your business, this can be deducted.

11 Advertising & Marketing



As long as you can prove they're related to your business, you can claim back any money spent on ordinary advertising and marketing purchases.

This includes things like billboards, business cards, and Yellow Pages ads.

12 Business Entertainment



Entertaining clients with meals and events? This too can be deducted if necessary to your business.

13 Travel Expenses



If you're frequently on the go, you should definitely look into deducting your travel expenses.



14 Interest



If you have a small business loan, you'll make interest payments on what you're borrowing from the lender.

This might come as a surprise, but those interest payments are tax deductible.

15 Bad Debt



If you've ever lent money to an employee or vendor without receiving it back, you can claim that back as 'bad debt'.

You just need to be able to prove that it was business debt, rather than personal debt.

16 Taxes



As strange as it sounds, the taxes you incur from just running your business are deductible.

These taxes might be federal, state, and local income, real estate, employment, or sales taxes.





Deducting your employee and labor expenses

Next, we'll break down the tax deductions you can claim on your employee or contracted labor expenses.



17 Employee Salaries



In general, your employee wages are fully deductible.

18 Employee Benefit Programs



You can also deduct certain employee benefit programs, like education assistance, dependent care assistance, life insurance adoption assistance, or qualified retirement plan accounts.

19 Employee Gifts



Employee gifts are 100% deductible up to \$25 per year, per employee.





20 Contracted Labor

Do you use independent contractors or freelancers as a part of your labor force?

The cost of hiring contracted labor is fully tax deductible.



21 Legal & Professional Fees

If you have a car for business purposes, you can usually deduct anything considered a car expense.



All of these options are there
for your small business,
but it's up to YOU to use them.

**STAY
ORGANIZED!**

