

List of 23 Business Deductions/Tax Write Offs for Business Owners & Side Hustlers

There are two main variables that will determine the profitability of your business: the revenue going in and the expenses you have going out. If you can maintain control, your business can continue to operate successfully. If you don't manage it properly, you could lead your company to failure. Taxes are a major expense for both entrepreneurs and employees. The big difference is as entrepreneurs, we have a huge advantage and can do something about it! Fully understanding the times that your business can write off can save you thousands! Here are some major business expenses that can help impact all type of business owners and side hustlers:

1. Advertising and Marketing-

- Advertising material- business cards, brochures, web pages, etc.
- Ads-media, commercials, radio ads, social media, ad promotions, billboards
- Marketing- direct marketing
- Domain name- acquiring, registering, and keeping a domain name.
- Promotional expenses- caps, t-shirts, pens, cups
- Design cost- brochures, packages, and logos
- Automotive advertisement- putting advertisement on your car (business or personal) such as a car magnet

2. Accounting Expenses-

- Business Tax preparation
- Business accounting software
- Accounting expenses
- Auditing expenses

3. **Bookkeeping-** Certified Public Accountant (CPA), bookkeeping, accounting, recordkeeping, expense reporting, bookkeeping software purchased.

4. Bank Charges-

- Bank Charges
- ATM fees
- Bank Services
- Check Printing Cost
- Penalties and Credit Card Fees

5. Business Licenses-

- Registrations
- Business licenses

6. Bonuses-

- S-Corporation- for shareholders and owners as long as they own their shares at the time the bonus is paid
- C-Corporation- shareholders and owners who have a 50% or higher ownership at the time the bonus is paid

- Sole Proprietorships, Partnerships and Limited Liability Companies (LLCs)- bonuses are NOT deductible because owners, partners, members are considered by the IRS to be self-employed

7. Business Travel, Dining and Entertainment- if you're travelling is not commuting but is business travel you can deduct:



- Transportation by airplane, train, bus or car between your home and your business destination
- Taxi, uber, limo or shuttle
- Baggage fees or shipping of work-related items
- Car expense for use of your own car or rental car
- Lodging or meals- if your trip is overnight or long enough that you need to stop and rest
- Dry cleaning and laundry expenses
- Tips for business
- Business related phone calls


8. Cell Phones- if you use your cellular phone and Smartphone 100% of the time for business, it is 100% deductible. However, if your phone is used partly for business, you are required to deduct the percentage of the cost used for the business

9. Car- the cost of using a car for business or you can take a standard mileage rate but with limitation (See IRS Regulations for deducting business driving expenses).

10. Copyrights- copyright is amortized over 15 years

11. Clothing- with your company logo stitched on it is tax-deductible and take it to the cleaners its tax deductible

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12. **Consultants-** consultant fees
 13. **Contractors-** who you hire for labor. Please make certain you send a 1099 to report how much you paid them each year
 14. **Contracts-** cost of preparing a contract is deductible if it is not substantial.
 15. **Business Conferences or Conventions-** fee for attending a business conference or convention is deductible. Travel and lodging expenses for the event is deductible; meals are 50% deductible
 16. **Employees Business Expenses-** reimbursing your employee for out-of-pocket business expenses, you are entitled to take a tax deduction for the expense. There are strict rules with employee reimbursement, consult with CPA
 17. **Employees-** wages and benefits you pay to your employees
 18. **Professional Fees/Credentials-** cost of education to obtain a credential but subject to certain limitations in the same way as individual taxpayers. To be deductible, you must be able to show that the education:
 - Maintains or improves skills required in your present work.
 - Required by law for maintaining a license to practice, statues, or job. For ex. continuing education for professionals.
 - Fees related to law, taxes, retainer fees or other complex disciplines.
 19. **Equipment-** the year of purchase or depreciated over five years or seven years, depending on the type of equipment.
 20. **Rent or Mortgage**
 - Building Purchased Outright
 - Mortgage Payments
 - Property Taxes
 - Rent Fee
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- 21. **Shipping/Delivery Charges**- goods or products you sell, business assets, and weekly delivery services
 - 22. **Uniforms**- exclusively for work and unsuitable for street wear. Includes costumes and protective gear
 - 23. **Utilities**- electricity, gas, heating fuel, water, sewer services, and garbage pick-up

