

I, \_\_\_\_\_ (Full Name) Received Self-Employment Wages of:

\$ \_\_\_\_\_ I had Expenses totaling: \$ \_\_\_\_\_ Number of 1099s \_\_\_\_\_

Type of Business? \_\_\_\_\_ Name of Business? \_\_\_\_\_

EIN # \_\_\_\_\_ (if applicable) Business Code (NAICS) \_\_\_\_\_

*To be deductible, a business expense must be both "ordinary & necessary." The IRS defines an "ordinary" expense as anything that is "common and accepted" to a specific trade or business. The IRS defines a "necessary" expense as anything that is "helpful and appropriate," but not indispensable.*

**Examples of Self-Employed Business Expenses: (No personal Expenses or Itemization)**

Utilities \$ \_\_\_\_\_ \$ \_\_\_\_\_

Phone \$ \_\_\_\_\_ Repairs, Maintenance \$ \_\_\_\_\_

Advertising/Marketing \$ \_\_\_\_\_ Business-Interest \$ \_\_\_\_\_

Biz Insurance (not health) \$ \_\_\_\_\_ Mortgage-Interest \$ \_\_\_\_\_

Car & Truck (x mileage rate) \$ \_\_\_\_\_ Materials, Supplies \$ \_\_\_\_\_

Business Miles (total miles) # \_\_\_\_\_ Business Licenses \$ \_\_\_\_\_

Professional Dues \$ \_\_\_\_\_ Travel (lodging, airfare, etc) \$ \_\_\_\_\_

Office Expenses \$ \_\_\_\_\_ Meals (overnight stays) \$ \_\_\_\_\_

Rent / Lease Bldg \$ \_\_\_\_\_ Other \_\_\_\_\_ \$ \_\_\_\_\_

Rent / Lease Equip \$ \_\_\_\_\_ Other \_\_\_\_\_ \$ \_\_\_\_\_

Legal Fees \$ \_\_\_\_\_ Other \_\_\_\_\_ \$ \_\_\_\_\_

Contract Labor \$ \_\_\_\_\_ Other \_\_\_\_\_ \$ \_\_\_\_\_

Sign Here: \_\_\_\_\_

Date: \_\_\_\_\_

# Expenses

The IRS allows you to deduct the cost of business-related expenses that are considered both ordinary and necessary in your trade or business.

**Advertising** - Amounts paid for business-related advertising. Examples- Business cards, flyers, ad space, etc.

**Commission and Fees** - Amounts paid for services rendered on behalf of your business. This does not include amounts paid to contractors.

**Contract Labor** - Amounts paid to contractors for work done on behalf of your business. Typically, you would issue these individuals a 1099-Misc if you paid them more than \$600.

**Depletion** - An expense recovery technique used for the extraction of natural resources.

**Employee Benefit Programs** - Contributions made on behalf of an employee. This can include programs such as life insurance, accident and health plans or dependent care expense programs.

**Insurance (other than health)** - Amounts paid for insurance on behalf of your business. This can include insurances such as business insurance, workers compensation insurance, and malpractice insurance. You will not report amounts paid for health insurance in this section.

**Interest** - Interest paid on behalf of your business. Examples of deductible interest include business loan interest or business credit card interest.

**Legal and Professional Service** - Amounts paid for services related to your business that were not paid to contractors or employees. This can include services such as tax advice, business related consultation fees, branding services, etc.

**Office Expenses** - Amounts paid for office supplies such as pens, paper, shipping materials, cleaning supplies, etc.

**Pension and Profit-Sharing Plans** - Amount of contributions made on your behalf to an employee's pension, profit sharing or annuity plan.

**Rent or Lease (equipment)** - Amounts paid to rent equipment, machinery or vehicles for business related purposes.

**Rent or Lease (property)** - Amounts paid to rent property used for business related purposes.

**Repairs and Maintenance** - Amounts paid to repair property used for business related purposes. This will only include the cost of repairs that do not substantially improve the value of an asset. Some examples of repairs and maintenance are painting, replacing hardware and plumbing services.

**Supplies** - Amounts paid for materials used to conduct your business. Typically, this includes the cost of supplies used to make a product. Some examples include paint brushes, camera film, recipe ingredients, etc.

**Taxes and Licenses** - Amounts paid for taxes and licenses related to your business. Some examples include copyrights, business licenses, domain name fees, property taxes, federal and state taxes, etc.

**Travel and Meals** - Amounts paid for meals and travel in relation to your business. These expenses are subject to limitations.

**Utilities** - Amounts paid for utility expenses incurred for business related purposes. Some examples include security system services, cell phone expenses, internet expenses, etc.

**Wages** - Amount of wages paid to employees of your business. These are wages you pay W-2 employees. You cannot deduct wages you pay yourself.