

Business Deductions

- Please use separate worksheet for automobile expenses
- All business meals, travel meals, & entertainment expenses **must be listed separately**
- All equipment, furniture, fixtures, computers, tools, machinery, remodeling, etc. must be listed separately and individually including (1) date purchased, (2) Description, and (3) Cost
- Please use separate worksheet for business use of your home (home office)
- **New Cell Phone Regulations:** for “employees”, your employer must require the phone. For all cell phones, the following four record keeping requirements must be met: (1) Amount (2) Date & Time of Call (3) Business purpose of call, and (4) Business relationship of the person called. If the phone is not used 100% for business, you must prorate the business calls versus the personal calls, and deduct the appropriate percentage of the total bill.
- **Home Phones:** You cannot deduct any portion of the base rate for the first phone line in the home, even if it is used for business. You may deduct “add ons” if they are business related, such as call forwarding, caller ID, etc. You may also deduct any business related long distance charges.

All deductible business expenses must be totaled up for the year by categories: i.e. (1) Total cell phone expense, (2) Total Operating supplies, (3) Total Business Meals, (4) Total office supplies, etc. Any equipment or machinery or tools must be listed individually as shown below.

The following expenses are deductible if they are necessary and ordinary expenses incurred in conducting your business activity. If you have any expense which is part personal and part business, you must pro-rate that expense. This list is not all-inclusive. If you have an expense which is not listed, please list it also.

Alarm/Security	Operating Supplies	Business Phone	Attorney/Legal
Uniforms/Cleaning	Long Distance	Cell Phone (see above)	Bad Checks
Call Waiting/Forward	Beeper/Pager	Accountant	Business Cards
Cleaning/Janitor	Commissions Paid	Copying/Printing	Postage/Delivery
Education/Seminars	Employee Wages	Payroll Taxes	Office Supplies
P.O. Box rental	Professional Dues	License	Registration Fee
Rent	Utilities	Storage Costs	Repairs
Publications/Magazines	Bank Charges	Credit Card Fees	Interest Paid
Airfare	Lodging	Taxi	Travel Meals
Business Meals	Entertainment	Insurance	Advertising
Client Gifts	Meeting rooms	Signs/Banners	Yellow Pages
Briefcase	Small Tools	Tradeshows	Internet/Web
Contract Labor	Inventory Purchases		

New equipment purchases (computers, furniture, fixtures, office equipment, tools, machinery, remodeling, etc)

List every item separately giving (1) Date of purchase (2) Description (3) Cost