



Thank You!

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Your satisfaction is important to us, so please do not hesitate to reach out with any questions or feedback.

We'd also be so grateful if you choose to leave a review!

To send us an Etsy message simply click on the shop link below or contact us at taxbirdstudioco@gmail.com.

Need more help?

PLEASE FEEL FREE TO SEND US
A MESSAGE ON ETSY:

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[ETSY.COM/SHOP/TAXBIRDSTUDIOCO](https://www.etsy.com/shop/taxbirdstudioco)

**SMALL
BUSINESS TAX
DEDUCTIONS
CHEATSHEET**

PART 1

ADVERTISING AND PROMOTION

- ☐ Facebook/Instagram/Google ads
- ☐ Prints (brochures, flyers, etc)

AUTO EXPENSES*

Deduct Mileage at 58.5 per mile (from 1/1 - 6/30) 62.5 per mile (from 7/1-12/31) for 2022 . OR:

- ☐ Car payments
- ☐ Insurance
- ☐ Gas
- ☐ Depreciation (if vehicle is owned)
- ☐ Parking and tolls
- ☐ Registration (DMV) fees
- ☐ Maintenance and repairs

BUSINESS LICENSE AND PERMITS

- ☐ State/city/local licensing
- ☐ Industry/job specific license

BANK FEES

- ☐ ATM fees
- ☐ Monthly service fees
- ☐ Annual fees
- ☐ Late payments
- ☐ NSF fees
- ☐ Merchant account fees
- ☐ Credit Card processing fees

COMMUNICATION

- ☐ Cell Phone
- ☐ Landline
- ☐ Answering Services
- ☐ Subscriptions for Communication Services

COST OF GOODS SOLD

- ☐ Materials/Supplies
- ☐ Labor

PART 2

CONSULTATION

☐ General consultation

☐ Financial consultation

☐ Job consultation

INDEPENDENT CONTRACTORS*

☐ Contractors

☐ Outside services

CONTINUING EDUCATION

☐ Tuition

☐ Books/supplies

☐ Program fees

☐ Trainings and workshops

EQUIPMENT RENTAL

☐ Payment processor rental

☐ Industry/job specific rentals

☐ Tool rental

☐ Large equipment rental

DUES AND SUBSCRIPTIONS

☐ Memberships

☐ Monthly/annual subscription

GIFTS*

☐ Gifts provided to vendors or customers/clients/patients (can only deduct \$25 per person per year)

INTEREST

☐ Finance charges

☐ Loan interest

OFFICE EXPENSES

☐ Delivery items (coffee, water, etc)

☐ Supplies (paper, ink, etc)

PART 3

LEGAL AND PROFESSIONAL

☐ Legal consultation and fees

☐ Accounting

☐ Bookkeeping

☐ Financial Advisor

☐ Industry/Job specific fee

MARKETING

☐ Agency Fees

☐ Surveys

☐ Development of advertising

☐ Social Media monitoring/participation

☐ Sponsorships

MEALS*

☐ Restaurants

☐ Fast Food

Meals are usually deducted by 50% depending on the purpose of the meal. Consult with your tax preparer.)

INTEREST

☐ Finance charges

☐ Loan interest

INSURANCE

☐ General

☐ Liability

☐ Workers Compensation

☐ E&O Insurance

POSTAGE AND SHIPPING

☐ Stamps

☐ Certified mail

☐ Delivery

☐ Freight costs

PART 4

OFFICE

☐ Rent or mortgage

☐ Insurance

☐ Utilities

☐ Maintenance and repairs

HOME OFFICE DEDUCTIONS*

Divide sq ft of office by total sq ft of house, then multiply the expenses with this amount to obtain the actual amount you're able to deduct.

TRAVEL

☐ Lodging

☐ Car rental/transportation service

☐ Airfare

UNIFORMS*

☐ Shirts, hats, etc

Must have your business logo/name on the item to be deductible

SECURITY

☐ Security/surveillance services

☐ Subscriptions for security

☐ Security-related products
(Ring doorbell, etc)

SOFTWARE

☐ Accounting/Invoicing/Bookkeeping

☐ Credit Card Processing

☐ Form Template

☐ CRM

☐ Project/Industry/Job-specific software

UTILITIES

☐ Water

☐ Sewage

☐ Trash/waste removal

☐ Electricity

☐ Internet

☐ Cable

PART 5

OTHER EXPENSES

- ☐ Commissions

- ☐ Discounts

- ☐ Furniture*

- ☐ Janitorial

- ☐ Large/Expensive Equipment*

- ☐ Laundry and Cleaning

- ☐ Medical expenses - only deductible if
you run payroll
through your business

- ☐ Meetings

- ☐ Payroll expenses (processing,
taxes, wages, etc)

- ☐ Recruiting

- ☐ Referrals

- ☐ Storage

- ☐ Supplies that are industry/job specific

- ☐ Tools

- ☐ Training

Consult a Tax Professional

Please consult a tax preparer/professional when including the expenses with the * next to them - they might have special requirement.

It is important to always consult a tax professional when filing your own taxes, especially for your business taxes.

HOME OFFICE EXPENSES

Generally, there are two basic requirements for the taxpayer's home to qualify as a deduction:

1. Exclusive and regular use. The room must be used exclusively to conduct your business activities on a regular basis. For example, if you work in your guest room/kids room/gym room, it is not qualified to deduction.

2. Principal place of your business. - this office is the main place you conduct your business. You may still qualify if you use other venues to meet clients, customers, etc but the normal day-to-day operations is conducted in your home office.

A separate structure not attached to the home qualify for the home office deduction only if the structure is used exclusively and regularly for business.

If you meet those criteria for your home office, choose one between below two methods:

1. Using simplified method. Multiply \$5 by total sq ft of home office to obtain the actual amount you're able to deduct. Maximum amount allowed is \$1500 **per year**.

2. Using regular method. Divide sq ft of office by total sq ft of house, then multiply the expenses with this percentage number to obtain the actual amount you're able to deduct.

Total Square Feet of Home:	_____
Total Square Feet of Office:	_____
Total Square Feet of Home/	
Total Square Feet of Office (a):	_____
Total home expenses (b):	_____
Deduction amount (a) x (b)	_____

Example: My home is 1000 square feet in total, my office is 300 square feet.

Using simplified method: $\$5 \times 300 = \1500 deduction

Using regular method: the percentage that I can use is 30%. ($300/1000 = .3$) My monthly rent is \$1,500. So if I multiply my rent by my percent I get to write off \$450 per month ($\$1,500 \times .3 = \450) for rent for my home office expense.

Consult a Tax Professional

Still in doubt if your home office are qualifies? Read official IRS guide [HERE](#) for more information. We recommend consult your tax preparer for the MOST accurate information for your situation.

INDEPENDENT CONTRACTOR INFORMATION

If you paid someone who is not your employee, such as a subcontractor, attorney or accountant \$600 or more for services provided during the year, the first step is to have the contractor complete Form W-9. This form should be kept in your files for four years in case of any future questions about the worker.

Next step is to complete a Form 1099-NEC for each contractor. A copy of 1099-NEC must be provided to the independent contractor by January 31 of the year following payment. You must also send a copy of this form to the IRS by January 31.

Note: For attorney services, you'll need to file a 1099-NEC regardless of the amount you've paid them. Also, it is required file a 1099-NEC in any dollar amount if you've withheld Federal taxes for the payee.

Link to the online 1099-NEC form
<https://www.irs.gov/pub/irs-pdf/f1099nec.pdf>

Link to the online W-9 form:
<https://www.irs.gov/pub/irs-pdf/fw9.pdf>

W9 form can be purchased at any major office supply store OR from the IRS website for free (form ordered from IRS website are carbon copies so you'll need to hand-write of use a typewriter).

Link to order W9 form on the IRS website:
<https://www.irs.gov/businesses/online-ordering-for-information-returns-and-employer-returns>

Notes:

OUTSIDE SERVICES OR CONTRACTOR TRACKER

CONTRACTOR INFORMATION

☐ Filled out W9 (tick if Yes)

If W9 is not filled, use this tracker to note:

Full name: _____ EIN/SSN: _____

Address: _____

Amount paid: _____

☐ Filled out W9 (tick if Yes)

If W9 is not filled, use this tracker to note:

Full name: _____

Address: _____

Amount paid: _____

☐ Filled out W9 (tick if Yes)

If W9 is not filled, use this tracker to note:

Full name: _____

Address: _____

Amount paid: _____

☐ Filled out W9 (tick if Yes)

If W9 is not filled, use this tracker to note:

Full name: _____

Address: _____

Amount paid: _____