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## **Deductible Business Expenses (Sole Proprietor / LLC)**

The following list will help in identifying and categorizing allowable business expenses. Deductibility of expenses will depend on many factors including business use percentages (i.e., cell phone, vehicles, etc.), statutory limitations, as well as industry specific considerations.

- Advertising
- Assets Purchased – Please provide description, date of purchase, and price paid for all assets over \$2500
- Car and Truck
  - Actual expenses per business vehicle (i.e., fuel, insurance, maintenance, repairs, etc.)
  - Total miles driven (per odometer reading at beginning and end of year)
  - Total business miles driven (per written log)
  - For new vehicles please provide year, make, model, date of purchase, and copy of sales receipt.
- Commissions/Fees
- Employee Wage Expense
- Home office (space must be used both regularly and exclusively for business activities)
  - Total home square footage
  - Total office square footage
  - Total utility bills
- Independent Contractor Payments (please contact our office for required Form 1099 filing)
- Insurance (i.e., business liability, health, auto, etc)
- Interest/Bank Charges
- Internet
- Inventory
  - Beginning inventory (i.e., cost basis at January 1)
  - Ending inventory (i.e., cost basis at December 31)
  - Purchases
  - Cost basis of items withdrawn for personal use
- Legal and Professional Fees
- Meals (must have business as primary purpose)
- Office Expenses
- Rent/Lease Payments
- Repairs and/or Maintenance of business or office equipment
- Retirement Plan Contributions
- Security System
- Software
- Supplies
- Taxes and Licenses
- Travel (must have business as primary purpose)
- Utilities (gas, electric, water, etc)