



# Write-Offs for the Self-Employed

Costs from your small business got you down? Well, you're in luck! Most business expenses—but not all—can reduce your income tax bill. Here are some common deductible and non-deductible costs.

## Deductible

To be deductible, a business expense must be ordinary, necessary, and directly related to your business.

- Advertising and marketing
- Auto expenses or mileage
- Bad debts
- Business association membership dues
- Cell phones (percentage used for business)
- Depreciation
- Education expenses
- Employee fringe benefits
- Home office expenses
- Insurance
- Interest
- Internet service (percentage used for business)
- Inventory creation costs
- Legal, tax preparation and professional fees
- Office supplies and equipment
- Pension plans
- Rent expenses
- Repairs for basic maintenance
- Taxes
- Travel, meals and entertainment
- Website development and hosting

## Non-Deductible

Some business expenses simply won't make the cut.

- Charitable contributions\*
- Demolition expenses or losses
- Dues to social, airline, hotel, or recreational clubs
- Lobbying expenses
- Penalties and fines for unlawful behavior
- Personal, living and family expenses
- Political contributions
- Property repairs that add value or significantly increase life of property

\* While you can't deduct charitable contributions as a business expense, the IRS views donations as a "personal expense paid from business funds." You can deduct charitable contributions on Schedule A if you itemize.