



Padgett

What's Deductible?

Your business deduction checklist

It can be hard to keep track of what you can and can't deduct on your taxes when it comes to your business. Don't let confusion ruin your day. Use this checklist to track the most common business deductions throughout the year, but keep in mind - this is not an exhaustive list of deductions.

Remember that for your business expense to be deemed deductible, it must be considered "ordinary" and "necessary" in the eyes of the IRS. According to the IRS, an ordinary expense is one that is common and accepted in your trade or business, while a necessary one is one that is appropriate and helpful for it.

Also, a recommended best practice is to keep a separate bank account to track business income and expenses.

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Costs of Doing Business

- Accounting & Bookkeeping Fees
- Accounting Software
- Auto Insurance
- Bank Charges & Fees
- Briefcase & Presentation Binders
- Business Credit Card Annual Fee
- Business & Property Insurance
- Business-Related Medical
- Credit Card Processing Fees
- Cost of Goods Sold
- Employee-Related Medical
- Equipment Depreciation (from prior years)
- Equipment Purchased This Year
- General Liability Insurance
- Interest on Business Credit Card
- Interest on Business Loan
- Interest on Business Mortgage
- Legal Fees
- Licenses
- Notary Fees
- Office Supplies
- Outside Service Fees
- Professional Dues
- Referral Fees
- Security Fees
- Software

Continuing Education

- Books
- Classes
- Conventions
- Professional Development
- Seminars

Maintenance, Rent & Utilities

- Alarm Service
- Electricity
- Gas
- Internet
- Maintenance Contracts
- Pest Control
- Repairs
- Rent for Building
- Rent for Equipment
- Rent for Land
- Telephone
- Water

Marketing & Advertising

- Association & Membership Dues
- Billboard & Signage
- Business Cards
- Digital Marketing, Pay-Per-Click & SEO
- Magazine Ads
- Media
- Paper
- Printing Expenses
- Publications, Trade Books & Journals
- Radio & TV Ads
- Website Fees

Miscellaneous Taxes

- Local & State Income Tax
- Personal Property Tax
- Real Estate Tax
- Sales Tax

Payroll & Labor

- Casual & Outside Labor (1099)
- Commissions Paid
- Disability insurance
- Benefits
- Federal Unemployment Tax
- Medicare Tax
- Professional Services
- Social Security Tax
- State Unemployment Tax
- Wages Paid to Employees (W-2)
- Workers Comp Premiums

Travel & Transportation

- Business Travel Supplies
- Business-Related Mileage
- Entertainment, Meals & Tips
- Hotel & Motel Expenses
- Misc. Travel (Airfare, Bus, Taxi & Trains)
- Parking & Tolls

Cost of Goods Sold

Direct costs related to the sale of products



Keeping tab on your taxes and the various deductions can be challenging. If you need help, the Padgett Business Services® network of CPAs, enrolled agents and tax professionals can manage your tax needs.

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