



Small Business Tax Deduction Checklist

Your Complete Guide to Maximum Tax Savings

Provided by Hooks & Books - Your Financial Success Partner

How to Use This Checklist

- ✓ Review each category monthly
- ✓ Keep receipts for all checked items
- ✓ Track business purpose for each expense
- ✓ Consult your tax professional for specific situations

Remember: This checklist covers federal deductions. State and local deductions may vary.

1. Home Office Deductions

Simplified Method (\$5 per sq ft, max 300 sq ft)

- ☐ Regular and exclusive business use
- ☐ Principal place of business
- ☐ Administrative activities
- ☐ Client meetings location

Actual Expense Method

- ☐ Mortgage interest/rent (business %)
- ☐ Property taxes (business %)
- ☐ Utilities (electric, gas, water)
- ☐ Internet and phone (business %)

- ☐ Home insurance (business %)
- ☐ Repairs and maintenance
- ☐ Security system
- ☐ Cleaning services
- ☐ Depreciation (if you own)

Documentation Needed: Floor plan, photos, utility bills, calculation worksheet

2. Vehicle Expenses

Standard Mileage Rate (2024: 65.5¢/mile)

- ☐ Business miles driven
- ☐ Parking fees
- ☐ Tolls
- ☐ Car washes (business trips)

Actual Expense Method

- ☐ Gas and oil
- ☐ Repairs and maintenance
- ☐ Tires
- ☐ Insurance
- ☐ Registration fees
- ☐ Lease payments
- ☐ Depreciation
- ☐ Garage rent
- ☐ Auto loan interest

Documentation Needed: Mileage log, receipts, business purpose notes

3. Travel & Entertainment

Travel Expenses

- ☐ Airfare
- ☐ Hotels/lodging
- ☐ Rental cars
- ☐ Taxis/Uber/Lyft
- ☐ Train/bus fare
- ☐ Baggage fees
- ☐ Travel insurance
- ☐ Conference registration
- ☐ Dry cleaning (while traveling)

Meals & Entertainment

- ☐ Business meals (50% deductible)
- ☐ Client entertainment (50%)
- ☐ Employee meals (100% if required)
- ☐ Office snacks/coffee (100%)
- ☐ Company parties (100%)

Documentation Needed: Receipts, attendee names, business purpose

4. Office & Equipment

Office Supplies

- ☐ Paper, pens, staplers
- ☐ Printer ink/toner
- ☐ Postage/shipping

- ☐ Software subscriptions
- ☐ Computer accessories
- ☐ Desk organizers
- ☐ Business cards
- ☐ Filing supplies

Equipment & Furniture

- ☐ Computers/laptops
- ☐ Printers/scanners
- ☐ Office furniture
- ☐ Phone systems
- ☐ Security cameras
- ☐ Safe/filing cabinets
- ☐ Ergonomic equipment
- ☐ Monitors/displays

Section 179 Note: Deduct full cost of qualifying equipment up to \$1,160,000 (2024)

5. Professional Services

Business Services

- ☐ Legal fees
- ☐ Accounting/bookkeeping
- ☐ Tax preparation
- ☐ Business consulting
- ☐ Marketing services
- ☐ Web design/development
- ☐ IT support
- ☐ Business coaching

Financial Services

- ☐ Bank fees
 - ☐ Credit card processing
 - ☐ PayPal/Stripe fees
 - ☐ QuickBooks subscription
 - ☐ Payroll service fees
 - ☐ Merchant services
 - ☐ Wire transfer fees
 - ☐ Business loan interest
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6. Insurance & Benefits

Business Insurance

- ☐ General liability
- ☐ Professional liability
- ☐ Workers' compensation
- ☐ Business property
- ☐ Business auto
- ☐ Cyber liability
- ☐ Directors & officers
- ☐ Key person life insurance

Employee Benefits

- ☐ Health insurance premiums
- ☐ Dental/vision insurance
- ☐ Life insurance
- ☐ Disability insurance

- ☐ Retirement contributions
 - ☐ HSA contributions
 - ☐ Employee wellness programs
 - ☐ Transportation benefits
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7. Marketing & Advertising

Traditional Marketing

- ☐ Business cards
- ☐ Brochures/flyers
- ☐ Print advertisements
- ☐ Radio/TV ads
- ☐ Billboards
- ☐ Trade show booths
- ☐ Promotional products
- ☐ Direct mail campaigns

Digital Marketing

- ☐ Website hosting/domain
 - ☐ Social media advertising
 - ☐ Google Ads
 - ☐ Email marketing service
 - ☐ SEO services
 - ☐ Content creation
 - ☐ Video production
 - ☐ Online directory listings
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8. Professional Development

Education & Training

- ☐ Industry conferences
- ☐ Workshops/seminars
- ☐ Online courses
- ☐ Professional certifications
- ☐ Trade publications
- ☐ Industry memberships
- ☐ Coaching programs
- ☐ Business books

Professional Associations

- ☐ Chamber of Commerce
 - ☐ Industry associations
 - ☐ Networking groups
 - ☐ BNI membership
 - ☐ Rotary/Lions Club
 - ☐ Professional licenses
 - ☐ Continuing education
 - ☐ Trade organization dues
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9. Employee & Contractor Costs

Employee Expenses

- ☐ Wages and salaries
- ☐ Payroll taxes
- ☐ Overtime pay
- ☐ Bonuses
- ☐ Commissions

- ☐ Employee gifts ($\leq \$25$)
- ☐ Uniforms
- ☐ Safety equipment

Contractor Payments

- ☐ 1099 contractor fees
 - ☐ Freelancer payments
 - ☐ Consultant fees
 - ☐ Temporary staff
 - ☐ Virtual assistants
 - ☐ Outsourced services
 - ☐ Professional services
 - ☐ Project-based work
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10. Operations & Utilities

Regular Operating Expenses

- ☐ Rent/lease payments
- ☐ Utilities (non-home office)
- ☐ Internet service
- ☐ Phone service
- ☐ Security services
- ☐ Cleaning services
- ☐ Waste management
- ☐ Landscaping

Maintenance & Repairs

- ☐ Equipment repairs

- ☐ Building maintenance
 - ☐ Computer repairs
 - ☐ Vehicle maintenance
 - ☐ HVAC service
 - ☐ Plumbing/electrical
 - ☐ Painting/renovations
 - ☐ Pest control
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11. Taxes & Licenses

Business Taxes & Fees

- ☐ Business license fees
- ☐ State registration fees
- ☐ Professional licenses
- ☐ Permit fees
- ☐ Franchise taxes
- ☐ Property taxes (business)
- ☐ Sales tax paid on purchases
- ☐ Federal tax payments

Compliance Costs

- ☐ Annual report fees
- ☐ Registered agent fees
- ☐ Corporate filing fees
- ☐ DBA fees
- ☐ Industry certifications
- ☐ Compliance software
- ☐ Regulatory fees

- ☐ Environmental fees
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12. Special Deductions

Industry-Specific

- ☐ Tools and equipment
- ☐ Raw materials
- ☐ Research & development
- ☐ Patent/trademark fees
- ☐ Franchise fees
- ☐ Royalty payments
- ☐ Bad debt write-offs
- ☐ Inventory shrinkage

Start-up Costs (up to \$5,000)

- ☐ Market research
 - ☐ Location scouting
 - ☐ Advertising for opening
 - ☐ Employee training
 - ☐ Professional consultations
 - ☐ Travel for setup
 - ☐ Organizational costs
 - ☐ Initial inventory
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Maximizing Your Deductions

Best Practices:

1. **Document Everything** - No receipt, no deduction

2. **Track Mileage Daily** - Use an app for accuracy
3. **Separate Business/Personal** - Use different accounts
4. **Plan Major Purchases** - Time them strategically
5. **Review Quarterly** - Don't wait until year-end

Common Mistakes to Avoid:

- ✗ Claiming 100% of meals (only 50%)
 - ✗ Deducting commuting costs
 - ✗ Missing carryover deductions
 - ✗ Forgetting online subscriptions
 - ✗ Not tracking cash expenses
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Year-End Tax Strategies

Before December 31st:

- ☐ Accelerate expenses if profitable
- ☐ Defer income if possible
- ☐ Max out retirement contributions
- ☐ Purchase needed equipment
- ☐ Pay January expenses in December
- ☐ Review depreciation options
- ☐ Contribute to HSA
- ☐ Pay bonuses

Documentation Checklist:

- ☐ All receipts organized
- ☐ Mileage logs complete

- ☐ Bank statements reconciled
 - ☐ Credit card statements
 - ☐ 1099s ready to send
 - ☐ Inventory counted
 - ☐ Fixed asset list updated
 - ☐ Expense reports filed
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Get Professional Help

Don't Leave Money on the Table!

This checklist covers common deductions, but tax laws are complex and constantly changing. Professional guidance ensures you:


- Maximize every legal deduction
 - Stay compliant with regulations
 - Plan strategically for next year
 - Avoid costly mistakes
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"Our average client saves \$12,000 in taxes annually. What could you save?"

Disclaimer: This checklist is for informational purposes only and does not constitute tax advice. Tax laws change frequently. Consult with a qualified tax professional for advice specific to your situation.

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