

General List of Business Expenses

General theory – expenses that are ordinary and necessary in the operation of your trade or business is typically deductible (exceptions apply)

- Advertising and Promotion Expenses
- Books and Publications - Books, trade journals, newspapers and publications for your trade or profession
- Computer & Internet Expenses
- Cost of Goods Sold (if applicable)
 - Inventory Details – beginning and ending inventory total dollar amount, inventory purchases, items removed for personal purposes, damages, spoiled products
 - Materials & Supplies
- Dues and Fees:
 - Dues to a professional organization for people in your profession
 - Union dues, initiation fees, and assessments for benefit payments to unemployed union members.
 - Regulatory fees for your profession
 - Dues to chambers of commerce and similar organizations if the membership helps you carry out your job duties (some exceptions apply)
- Licenses paid to state or local governments
- Education - Educational expenses related to your present work that maintains or improves your skills.
- Research expenses
- Furniture & Equipment
- Tools
- Home Office
 - Expenses for an office in your home IF part of the home is used regularly and exclusively for your business.
 - Expenses include indirect costs such as rent, mortgage interest, utilities, insurance, repairs, RE taxes, and cost directly related to the home office supplies, equipment, office furniture, etc.
 - The home office deduction (with exception of mortgage interest and RE taxes) will be carried over to the next tax year in the event you are already in a loss situation from your business activities. For more information, see [IRS Publication 587](#)
- Meals and Entertainment
 - Business meals with clients (50%)
 - Office snacks and other food items (50%)
 - The cost of meals while traveling for work (50%)
 - Meals at a conference that go above the ticket price (50%)

- Lunch out with less than half of company employees (50%)
- Food for company holiday parties (100%)
- Food and beverages given out free to the public (100%)
- Dinner for employees working late at the office (100%)
- In general, entertainment expenses are no longer deductible with some exceptions.
 - Examples of entertainment expenses that may be deductible:
 - Entertainment treated as compensation on your originally filed tax returns (and treated as wages to your employees)
 - Recreational expenses for employees such as a holiday party or a summer picnic
 - Expenses related to attending business meetings or conventions of certain exempt organizations such as business leagues, chambers of commerce, professional associations, etc.
 - Entertainment sold to customers. For example, if you run a nightclub, your expenses for the entertainment you furnish to your customers, such as a floor show, aren't subject to the nondeductible rules
 - Examples of entertainment expenses that are **not** deductible:
 - Bringing employees to a football game or other sporting event;
 - Offering a prospective client free theatre tickets;
 - Taking an old client out on a sunset cruise;
 - Renting out an "entertainment facility," e.g., a bowling alley, yacht, fishing camp, swimming pool, car, plane, or hotel suite;
 - Membership dues, such as the fees for country club memberships
- Telephone Charges
 - Business use of cellular phone
 - Separate business telephone
 - Fax Service
- Travel and Transportation
 - Mileage Log
 - Traveling costs incurred while away from home on business (i.e. airfare, ground transportation, lodging, meals, etc.)
 - Traveling costs paid in connection with work assignment
 - Transportation from one job to another if you work two places in one day
- Uniforms and Gear- The cost of work clothing and uniforms if you satisfy a number of requirements, one of which is that the clothing you purchase not be suitable for wear outside of work
 - Protective clothing and gear
 - Dry cleaning costs for your uniforms or protective clothing (not for your everyday clothing)

- Specialized clothing designed for your job, as long as it's not suitable for everyday wear
 - Safety equipment, such as hard hats, safety glasses, safety boots, and gloves
- Depreciation
- Gifts (up to \$25 per recipient)
- Passport for business travel
- Postage
- Office supplies
- Printing and copying
- Repairs and maintenance
- Legal and professional services (including accounting tax, consultants, etc.)
- Medical exams required for your business activity
- Occupational taxes if they're charged at a flat rate by your city or other local government for the privilege of working in that area
- Rent expense – office space, business use vehicle lease
- Business liability insurance premiums
- Interest on business loans, investments, and mortgage interest on building owned by the business
- Self-Employed health insurance
- Commissions and fees
- Business insurance, professional liability, error & omissions
- Keogh or SEP contributions
- Rental of business property
- Office rent and utilities
- Repairs and maintenance
- Business taxes and licenses