

SAVVY CPA EXPLAINS: BUSINESS DEDUCTIONS



Most business owners don't simply miss deductions — **they miss possibilities.**

This guide helps you recognize business expenses that can easily be **overlooked** or **under-documented**. After all, good tax planning starts with **visibility**.

This guide is broken down into **3 sections**: expenses related to (1) running your business, (2) growing your business, and (3) protecting you personally.

1. RUNNING YOUR BUSINESS

HOME OFFICE

If you use part of your home **regularly** and **exclusively** for your business, you may be able to deduct expenses related to that portion (even if you **split time between locations**).

These deductions are based on **how space is used**, not just what you pay for. But if you qualify, a portion of these expenses may be deductible:

- Rent or mortgage **interest**
- Property **taxes**
- Homeowners' or renters' **insurance**
- **Utilities** (electricity, gas, water)
- **Repairs** or **improvements**

The home office deduction is calculated using either:

- **Simplified method**
(based on sq ft)
- **Regular method**
(based on expenses)

RENT

If you rent an **office space** or **equipment** for business use.

TECHNOLOGY, SUPPLIES & TOOLS

Some purchases may be **deducted in full**, while larger items may need to be **depreciated** over time.

Expenses in this category may include:

- **Phone and internet** service (portion used for business)
- **Computers, printers**, and other **equipment**
- Office supplies such as **paper, ink**, and **postage**
- Business-related **software** and **subscriptions**

2. GROWING YOUR BUSINESS

EDUCATION, MARKETING & PROFESSIONAL SUPPORT

These costs often **spike during growth years**—and that’s exactly when clients forget to plan for the tax impact.

Expenses in this category may include:

- Professional fees paid to:
 - **Lawyers**
 - **Accountants**
 - Other **professionals** necessary to your business
- **Education** and **training** that maintains or improves skills
- **Advertising** and **marketing** expenses
- **Website**-related costs

INTEREST

Need a line of credit or bridge funding? **Interest** on **business loans** or **business credit cards** is fully deductible.

3. PROTECTING YOU

VEHICLE

Vehicle-related expenses may include the business portion of driving, calculated using either:

- The **standard mileage rate**, or
- **Actual vehicle costs**



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RETIREMENT

Contributions to a retirement account designed for self-employed individuals, like a **SEP IRA** or a **solo 401(k)**, are deductible.

INSURANCE

Deduct 100% of **health insurance premiums** for you, your spouse, and dependents. Same goes for any **business insurance premiums**.

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