

# 300+ TAX SAVING DEDUCTIONS

**FOR SMALL  
BUSINESS OWNERS**

After working with business owners for more than a decade, we've found that there's a **93% chance you are overpaying** the government with your business taxes.

Here at Wealth Factory, we're all for paying our fair share. We just don't think it's necessary to leave a tip.

So we help our top clients find and implement quick tax-saving strategies while they are building a solid, comprehensive, and permanent tax-reduction strategy.

And one of the simplest strategies you can take advantage of immediately is properly applying every deduction available to you.

This can make a significant impact on your monthly cash flow, because when you save money on taxes, you save it at your highest tax rate, which means each dollar saved goes straight to your bottom line and back into your pocket as spendable cash.

This guide will give you a comprehensive list of small business deductions that you can take to your CPA so you can "cross off the list" and make sure you're applying the tax code to your benefit.

Note that some of these ideas will work for ANY business structure, while some are only be good for C corps (a couple big deductions are highlighted below for easy reference).

Enjoy this complimentary guide, and feel free to bring it to your financial team so that you can apply these deductions to your business immediately.

Build the life you love,  
The Builders at Wealth Factory

## A

- Abandonment of property used for business purposes
- Accounting and auditing expenses, such as:
  - a) Auditing of your books and accounts
  - b) Costs of Bookkeeping
  - c) Costs of Tax strategy preparation
  - d) Costs of Preparing and filing any tax returns
  - e) Costs of investigation of any tax returns
  - f) Costs of defense against IRS or state agency audits or
  - g) challenges
- Accounts receivable, worthless
- Achievement Awards
  - a) Longevity Award
  - b) Safety Award
  - c) Sales Award
- Advances made to employees or salespeople where repayment is not expected
- Advances to employees canceled as bonus
- Advertising expenses, such as:
  - a) Premiums given away
  - b) Advertising in:
    - Newspaper
    - Magazine
    - Radio
    - Other media
  - c) Prizes and other expenses in holding contests or exhibitions
  - d) Contributions to various organizations for advertising

purposes

e) Costs of displays, posters, etc. to attract customers

f) Publicity

g) Christmas present to customers or prospects-de minimis rule

- Alterations to business property, if minor
- Amortization
- Attorney's fees and other legal expenses involving:
  - a) Tax Strategy
  - b) Drafting of Agreements
  - c) Defense of Claims against you
  - d) Collection actions taken against others
  - e) Any other business-related activity
- Auto expense
  - a) Damage to auto not covered by insurance
  - b) Gasoline
  - c) Oil
  - d) Repairs and maintenance
  - e) Washing and Waxing
  - f) Garage Rent
  - g) Interest portion of payments
  - h) Insurance premiums such as fire, theft, collision, liability, etc.
  - i) Lease Payment
  - j) License plate
  - k) Driver's License fee
  - l) Depreciation

m) Wages of Chauffeur

n) Section 179 deduction, for qualified vehicle

## **B**

- Bad debts – if previously taken into income
- Baseball/softball/soccer team equipment for business publicity
- Board and room to employee:
  - a) All meals and lodging if for employee's benefit
  - b) Temporary housing assignment
- Board Meetings
- Bonuses as additional compensation to employees
- Bookkeeping services
- Building expenses, used for business, such as:
  - a) Repairs to building
  - b) Janitorial Service
  - c) Painting
  - d) Interest on Mortgage
  - e) Taxes on Property
  - f) Water
  - g) Rubbish Removal
  - h) Depreciation of Building
  - i) Heating
  - j) Lighting
  - k) Landscaping
- Burglary losses not covered by insurance
- Business, cost of operating office
- Business taxes-except federal income taxes

## **C**

- Cafeteria plan–requires written plan
- Capital asset sale–losses
- Car and Taxi Fares
- Casualty damages, such as:
  - a) Bombardment
  - b) Fire
  - c) Storm
  - d) Hurricane
  - e) Drought
  - f) Forest Fire
  - g) Freezing of Property
  - h) Impairment or collapse of property
  - i) Ice
  - j) Heat
  - k) Wind
  - l) Rain
- Charitable contributions
- Checking account bank charges
- Child Care– requires written plan
- Children’s salaries
- Christmas presents to employees, customers, and prospects for advertising or publicity purposes, or goodwill, or if customary in the trade
- Collection expenses including attorney’s fees
- Commissions on sales of securities by dealers in securities
- Commissions paid to agents
- Commissions paid to employees for business purposes

- Commissions paid to salesmen
- Condemnation expenses
- [C-CORP ONLY] Contributions (deductible if made to organization founded for the following purposes, subject to some limitations):
  - a) Religious
  - b) Charitable
  - c) Scientific
  - d) Literary
  - e) Educational
  - f) Prevention of Cruelty to Children and Animals
- Convention expenses, cost of attending conventions
- Cost of Goods
- Credit Report costs

## D

- Day Care Facility
- Depletion
- Depreciation
- Discounts allowed to customers
- Dues Paid to:
  - a) Better Business Bureau
  - b) Chamber of Commerce
  - c) Trade associations
  - d) Professional societies
  - e) Technical societies
  - f) Protective Services Associations

## E

- Education Assistance—requires written plan

- Embezzlement loss not covered by insurance
- Employee welfare expenses, such as:
  - a) Dances
  - b) Outings
  - c) Christmas Parties
  - d) Shows or plays
- Endorser's loss
- Equipment, minor replacements
- Equipment purchases
- Equipment Purchases—may require capitalization and depreciation
- Equipment repairs
- Exhibits and displays, to publicize, your products
- Expenses of any kind directly chargeable to business income, such as:
  - a) Renting of Office Space
  - b) Safe Deposit boxes
  - c) Upkeep of property
  - d) Books to record income and expenses or investment income
- Experimental and Research expenses

## **F**

- Factoring
- Fan Mail Expenses
- Fees for Passports necessary while traveling on business
- Fees to Accountants
- Fees to Agents
- Fees to brokers
- Fees to investment counsel



- Fees to professionals for services rendered
- Fees to technicians
- Fire loss
- Forfeited stock
- Freight charges

## **G**

- Gifts to customers- Limit \$75
- Group term insurance on employees' lives
- Guarantor's loss

## **H**

- Health Insurance
- Heating Expense
- Hospitals, contributions to

## **I**

- Improvements, provided they are minor
- Insurance premiums paid
- Interest on loans of all kinds for business purposes, such as:
  - a) On loans
  - b) On notes
  - c) On mortgages
  - d) On bonds
  - e) On tax deficiencies
  - f) On installments payments of auto, furniture, etc.
  - g) On margin account with brokers
  - h) Bank discount on note is deductible as interest
- Inventory loss due to damages
- Investment counsel fees

## L

- Lawsuit expenses
- Legal Costs
  - a) In defense of your business
  - b) In settlement of cases
  - c) Payment of Damages
- License fees
- Lighting
- Living quarter furnished employees for business benefit
- Losses, deductible if connected with your business or profession, such as:
  - a) Abandoned Property
  - b) Accounts Receivable
  - c) Auto Damage caused by fire, theft, heat, storm, etc.
  - d) Bad Debts
  - e) Banks Closed
  - f) Bonds
  - g) Buildings-damaged
  - h) Burglary
  - i) Business Ventures
  - j) Capital Assets
  - k) Casualties: Fire, theft, heat, storm, etc.
  - l) Damages to property or assets
  - m) Deposit forfeiture, on purchase of property
  - n) Drought
  - o) Embezzlements
  - p) Equipment abandoned

- q) Forced sale or exchange
- r) Forfeitures
- s) Freezing
- t) Goodwill
- u) Loans not collectable
- v) Theft
- w) Transactions entered into for profits

## **M**

- Maintenance of Business Property
- Maintenance of office, store, warehouse, showroom, etc.
- Maintenance of rented premises
- Management Costs
- Materials
- Meals, subject to limitation
- Merchandise
- Messenger service
- Musician Expenses

## **N**

- Net Operating loss – may be carried back to previous year's income for refund and/or forward against future year's income
- Newspapers

## **O**

- Office expenses Including:
  - a) Wages
  - b) Supplies
  - c) Towel Service
  - d) Heating and Lighting

- e) Telephones and Telegraph
- f) Repairs
- g) Refurnishing, minor items
- h) Decorating
- i) Painting

- Office Rent
- Office Stationery

## **P**

- Passport fees
- Pension Plans
- Periodicals
- Physical fitness Center
- Plotting of land for sale
- Postage
- Professional society dues
- Property depreciation
- Property maintenance
- Property repairs
- Publicity expenses

## **R**

- Real Estate expenses of rental or investment property, including
  - a) Taxes of property
  - b) Insurance
  - c) Janitorial services
  - d) Repairing
  - e) Redecorating
  - f) Painting

- g) Depreciation
- h) Supplies
- i) Tools
- j) Legal expenses involving leases, tenants, or property
- k) Bookkeeping
- l) Property Management
- m) Utilities
- n) Commissions to secure tenants
- o) Maintenance-heating, lighting, etc.
- p) Advertising for tenants
- q) Cost of manager's unit, if onsite and at employer's convenience
- Rebates of sales
- Refunds on sales
- Rent settlement-cancel lease
- Rental property expense, such as:
  - a) Advertising if vacant premises
  - b) Commissions to secure tenant
  - c) Billboards and signs
- Rent collection expense
- Rents paid, such as:
  - a) Business property
  - b) Parking facilities
  - c) Safe deposit boxes
  - d) Taxes paid by tenant for landlord
  - e) Warehouse and storage charges
- Repairing of business property, such as:

- a) Alterations, provided they are not capital additions
- b) Casualty damages
- c) Cleaning
- d) Minor improvements
- e) Painting
- f) Redecorating
- g) Repairing of furniture, equipment, machinery and buildings
- h) Roof repairs

- Royalties

## S

- Safe deposit box rental
- Safe or storage rental
- Salaries including bonuses, commissions, pensions, management fees
- Sample room
- Selling expenses, such as:
  - a) Commissions and bonuses as prizes
  - b) Discounts
  - c) Prizes offered in contests
  - d) Publicity and promotion costs
  - e) Rebates
- Services, professional or other necessary for conduct of business
- Social Security taxes paid by employers
- Stationary and all other supplies used
- Subscriptions to all trade, business or professional periodicals
- Supplies, office or laboratory

## T

- Taxes, all taxes paid except federal income taxes, such as:
  - a) City Gross receipts tax
  - b) City Sales tax
  - c) State gross receipts tax
  - d) State sales tax
  - e) State unemployment insurance tax
  - f) Federal social security tax
  - g) State income tax
  - h) State unincorporated business tax
  - i) Real Estate tax
  - j) Tangible property tax
  - k) Intangible property tax
  - l) Custom, import, or tariff tax
  - m) License tax
  - n) Stamp taxes
  - o) Any business tax, as a rule
  - p) Auto registration tax
  - q) Sale deposit tax
  - r) Membership dues tax
  - s) Gasoline Tax
  - t) Admission tax
- Telephone and telegraphs
- Travel expenses (includes: meals, taxi fare, rail fare, airfare, tips, telephone, telegrams, laundry and cleaning)

## U

- Unemployment compensation taxes paid by employer
- Uniforms furnished to employees

## W

- Wages
- Worker's compensation fund contributions