

KEY EXPENSES FOR BUSINESS PROFESSIONALS

A PROFESSIONAL FEES & DUES:

Dues paid to professional societies related to your profession are deductible. However, the cost of initial admission fees paid for membership in certain organizations or social clubs are considered capital expenses.

B CONTINUING EDUCATION:

Educational expenses are deductible under either of two conditions: (1) Your employer requires the education in order for you to keep your job or rate of pay; or (2) The education maintains or improves your skills in your profession. The costs of courses that are taken to meet the minimum requirements of a job, or that qualify you for a new trade or business are NOT deductible.

C TELEPHONE EXPENSES:

The basic local telephone service costs of the first telephone line provided in your residence are not deductible. However, toll calls from that line are deductible if the calls are business related. The costs of a second line (basic service and toll calls) in your home are also deductible if that line is used exclusively for business.

D AUTO TRAVEL:

Your auto expense is based on the number of qualified business miles you drive. Expenses for travel between business locations or daily transportation expenses in going between your residence and temporary work locations are deductible; include them as business miles. Your trips between home and work each day or between home and one or more regular places of work are COMMUTING and are NOT deductible.

Document business miles in a record book as follows: (1) Give the date and business purpose of each trip; (2) Note the place to which you traveled; (3) Record the number of business miles; (4) Record your car's odometer reading at both the beginning and end of the tax year. Keep receipts for all car operating expenses – gas, oil, repairs, insurance, etc., and of any reimbursement you received for your expenses.

E MISCELLANEOUS EXPENSES:

Expenses of looking for new employment in your present line of work are deductible – you do not have to actually obtain a new job in order to deduct the expenses. Out-of-town job seeking expenses are deductible only if the primary purpose of the trip is job seeking, not pursuing personal activities.

F SUPPLIES & EXPENSES:

Generally, to be deductible, items must be ordinary and necessary costs in your profession and not reimbursable by your employer.

G EQUIPMENT PURCHASES:

Record separately from other supplies, the costs of business assets which are expected to last longer than one year and cost more than \$100. Normally, the costs of such assets are recovered differently on your tax return than are other recurring, everyday business expenses like business cards, office supplies, etc.

H TRAVEL - OUT-OF-TOWN:

Expenses of traveling away from "home" overnight on job-related and continuing-education trips are deductible. Your "home" is generally considered to be the entire city or general area where your principal place of employment is located. Out-of-town expenses include transportation, meals, lodging, tips, and miscellaneous items like laundry, valet, etc.

Document away-from-home expenses by noting the date, destination, and business purpose of your trip. Record business miles if you drove to the out-of-town location. In addition, keep a detailed record of your expenses – lodging, public transportation, meals, etc. Always list meals and lodging separately in your records. Receipts must be retained for each lodging expense. However, if any other business expense is less than \$25, a receipt is not necessary if you record all of the information in a diary. You must keep track of the full amount of meal and entertainment expenses even though only a portion of the amount may be deductible.

TAX DEDUCTIONS FOR BUSINESS PROFESSIONALS

PROFESSIONAL FEES & DUES

Association Dues	
License	
Professional Associations	
Union Dues	
Other:	

CONTINUING EDUCATION

Correspondence Course Fees	
Materials & Supplies	
Course Registration	
Seminar Fees	
Reference Material/Text Books	
Lab Fees	
Photo copy	
Research Expenses	
Other:	

TELEPHONE EXPENSES

Cellular Calls	
FAX Transmissions	
Paging Service	
Pay Phone	
Toll Calls	
Other:	

AUTO TRAVEL

Between Jobs or Job Locations	mi.
Client Meetings	mi.
Continuing Education	mi.
Job Seeking	mi.
Out of Town Business Trips	mi.
Purchasing job supplies & Materials	mi.
Professional Society Meetings	mi.
Parking Fees	\$
Tolls	\$
Other:	

MISCELLANEOUS EXPENSES

Resume	
Liability insurance – Business	
Subscriptions	
Other:	

SUPPLIES & EXPENSES

Briefcase	
Business Meals <i>(Enter 100% of expense)</i>	
Business Cards	
Clerical Service	
Computer Software	
Computer Supplies	
Customer Lists	
Entertainment <i>(Enter 100% of expense)</i>	
Equipment Repair	
FAX Supplies	
Gifts	
Greeting Cards	
Legal & Professional Services	
Office Expense	
Photocopy Expense	
Postage	
Shipping	
Stationary	
Technical Publications	
Other:	

EQUIPMENT PURCHASES

Answering Machine	
Calculator	
FAX Machine/Copy Machine	
Pager	
Telephone	
Recorder	
Other:	

TRAVEL – OUT OF TOWN

Airfare	
Bridge & Highway Tolls	
Bus & Subway	
Car Rental	
Laundry	
Lodging <i>(do not combine with meals)</i>	
Meals <i>(do not combine with lodging)</i>	
Parking	
Porter, Bell Caption	
Taxi	
Telephone Calls <i>(including home)</i>	
Train	
Other:	