

# Business Professional Tax Deduction Worksheet

## **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.

## **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.

## **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.

## **AUTO TRAVEL**

Your auto expenses are based on the number of qualified business miles you drive. Expenses for travel between business locations or daily transportation expenses between your residence and temporary work locations are deductible; include them as business miles. Expenses for your trips between home and work each day, or between home and one or more regular places of work, are COMMUTING expenses 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; and (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.

## **SUPPLIES & EXPENSES**

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

## **EQUIPMENT PURCHASES**

Record separately from other supplies the costs of business assets that 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 such as business cards or office supplies.

## **OUT-OF-TOWN TRAVEL**

Expenses accrued when 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 \$75, a receipt is not necessary if you record all of the information in a timely 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.

## 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.

<b>PROFESSIONAL FEES &amp; DUES</b>	<b>AUTO TRAVEL</b>	<b>EQUIPMENT PURCHASES</b>
Association Dues	Between Jobs or Job Locations (mi)	Answering Machine
Credentials	Client Meetings	Calculator
License	Continuing Education (mi)	Copy Machine
Union Dues	Job Seeking (mi)	Fax Machine
Other:	Out-of-Town Business Trips (mi)	Pager
<b>CONTINUING EDUCATION</b>	Purchasing Job Supplies & Materials (mi)	Telephone
Correspondence Course Fees	Professional Society Meetings (mi)	Other:
Course Registration	Parking Fees (\$)	<b>OUT-OF TOWN TRAVEL</b>
Materials & Supplies	Tolls (\$)	Airfare
Photocopy Expenses	Other:	Bridge & Highway Tolls
Reference Materials	<b>SUPPLIES &amp; EXPENSES</b>	Bus & Subway
Seminar Fees	Briefcase	Car Rental
Text Books	Business Meals (100% of expense)	Laundry
Other:	Business Cards	Lodging(do not combine with meals)
<b>TELEPHONE EXPENSES</b>	Clerical Service	Meals (do not combine with lodging)
Cellular Calls	Computer Software	Parking
Fax Transmissions	Computer Supplies	Porter, Bell Captain
Paging Service	Customer Lists	Taxi
Pay Phone	Entertainment (100% of expense)	Telephone Calls (including home)
Toll Calls	Equipment Repair	Train
Other:	FAX Supplies	Other:
Other:	Gifts	<b>MISCELLANEOUS</b>
Notes:	Greeting Cards	Liability Insurance -Business
	Legal & Professional Services	Professional Subscriptions
	Office Expenses	Resume
	Photocopy Expenses	Other:
	Postage	Other:
	Shipping	Other:
	Stationary	Other:
	Trade Publications	Other:
	Other:	Other: