



Tax Deductions for Contractors and Sub-Contractors

Income - Copies of checks and statements from sales, service, commissions and bonuses.

Materials - Anything you put into a product or service that you leave with the customer.

Supplies - Things you use that don't stay with the property.

Permits and Fees - Building permits, city permits, sign permits, etc.

Small Tools - Tools that cost under \$300 and last less than three years. Hammers, screwdrivers, sockets, small saws, etc.

Depreciable Tools - Tools that cost more than \$300 and will last more than three years.

Equipment - Compressors, trailers, scaffolding, generators, welding equipment, etc.

Equipment Rent - Any tools or equipment you rent or for a one time job.

Equipment Lease - Tools and equipment you rent or least that you keep for a long period of time.

Protective Clothing - Coveralls, boots, hard hats, gloves, coats, uniforms, etc.

Insurance - Liability, vehicle insurance, bonds, health insurance for employees and workers compensation insurance.

Trade Shows - Shows that you have a booth in or shows that you attend, to check out what is happening in the industry.

Sub-Contractors - People or companies you hire on a job by job basis to do part of a job.

Accounting/Payroll - Accountants, accounting software, payroll companies, tax preparation, bookkeeper, etc.

Outside Services - Companies you hire to perform services for your company. Consulting, surveyors, architects, etc.

Dump Fees - Fees you pay to haul off trash and waste.

Interest - Interest paid on construction loans, equipment loans, credit cards, vehicles, etc.

Taxes and Licenses - Property tax, payroll tax, corporation tax, etc. Business, professional, state and city licenses.

Realtor Fees - The commission you pay to a realtor to sell a property you build.

Advertising - Business cards, newspaper ads, information packets you hand out, free samples, flyers, product testing, videos and CD's.

Children - money paid to children for helping with such things as delivering flyers, product, stuffing envelopes, cleaning office and car, etc.

Cost of Goods Sold - Cost of products sold whether sold wholesale or retail.

Delivery or Shipping - Cost to mail or ship products.

Dues and Subscriptions - Dues to professional organizations and magazines that have to do with your trade or business.

Educational Expense - Classes or Seminars that you take to improve your business.

Gifts - Gifts to clients and associates

Laundry and Cleaning - This includes uniforms and Protective clothing and also your clothing when you are out of town.

Legal and Professional Services - Attorneys, Accountants, Inspectors, Appraisers, etc.

Office Expense - Office supplies, forms and receipt books, computer supplies, Internet, postage, printing, day planner, palm pilot, bank charges.

Repairs - Repairs to equipment such as computers, and other office equipment.

Travel - Hotels, airfare, cab fare, parking, cleaning while away from home, trip log

Meals and Entertainment - meals with clients, potential clients, and associates. Also tickets to movies or events with or for clients.

Rent - Rental fees for booths for shows, office, etc.

Telephone - Cell phone, long distance calls on home phone, extra phone lines into home for business, fax or Internet.

Home Office - A separate room in your home to do business and accounting. A percentage of utility Bills, home owners insurance, property tax, mortgage interest, refinance fees, repairs and maintenance, cleaning supplies, office decor, etc. are deductible.

Purchases - Any equipment, office furniture, computers, vehicles that cost over \$200.

Mileage or Vehicle - There are two ways to take a vehicle expense. One is to take the mileage you use when picking up product, supplies, office supplies, meetings, handing out advertising or business cards, meals and entertaining clients, etc. The other way is to take the expense of using the vehicle: fuel, parts, mechanics, oil changes, etc. Along with taking expenses, you can also depreciate the vehicle.

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