Expense Categories to Schedule C Line Map

30 common expenses with the Schedule C line, the Service Business chart of accounts number, the record to keep, and the exception that trips people up. Line numbers from the 2025 IRS Schedule C. General information, not tax advice.

Expense	Schedule C line	Chart of accounts number	Record to keep	Common exception
Software subscriptions	27b (via line 48)	5080 Software & Subscriptions	Monthly invoice or card receipt showing the plan	Marketing tools go to line 8 by convention; software bought outright is generally capitalized and depreciated, not deducted here
Bank fees	27b (via line 48)	5010 Bank & Merchant Fees	Monthly bank statement	Card processing fees go to line 10 by convention, not here
Merchant and card processing fees	10	5010 Bank & Merchant Fees	Processor monthly fee report or statement	Line 10 by convention; record sales gross and deduct the fees, do not net them
Business mileage	9	5090 Travel & Meals (closest)	Mileage log with date, miles, and business purpose	Commuting from home to a regular workplace is not deductible
Parking and tolls	9	5090 Travel & Meals (closest)	Receipt or toll statement with the trip purpose	Parking and tolls for personal trips are not deductible
Business phone	25	5040 Internet & Phone	Phone bill plus a note of the business-use share	A personal phone deducts only the business-use share
Internet service	25	5040 Internet & Phone	Monthly bill plus a note of the business-use share	A home connection deducts only the business-use share
Home office	30	No Service account	Square footage of the space and the method used	The space must be used regularly and exclusively; use Form 8829 or the simplified method
Contractor payments	11	5020 Contractor / Subcontractor	Form W-9, invoice, and proof of payment	Card payments and payments through a payment settlement network go on the processor's 1099-K, not your 1099-NEC
Health insurance for employees	14	5120 Employee Benefits	Insurer invoice and payroll records	Your own premiums as a sole proprietor go on Schedule 1, not line 14
Business insurance	15	5030 Insurance	Policy declarations and premium invoices	Health insurance is not line 15; vehicle insurance goes to line 9 under actual expenses
Accountant fees	17	5060 Professional Services	Engagement letter and paid invoice	Fees for personal matters are not business expenses
Legal fees	17	5060 Professional Services	Invoice that states the matter	Fees to buy an asset generally add to the asset's cost; LLC formation fees follow the startup cost rules
Advertising	8	5000 Advertising & Marketing	Ad platform invoice or receipt	Client gifts: $25 per recipient per year. Not gifts: identical giveaways of $4 or less clearly and permanently imprinted with your business name and given widely, and signs or displays for their business premises
Website hosting and domain	8	5000 Advertising & Marketing	Hosting and domain renewal invoices	Line 8 by convention; a personal site is not a business expense
Office supplies	18	5050 Office Supplies	Receipt showing the items bought	Items used up delivering your service go to line 22
Postage	18	5050 Office Supplies (closest)	Postage receipt or carrier invoice	Shipping supplies for delivering products go to line 22
Equipment under the de minimis limit	27b (via line 48)	5050 Office Supplies (closest)	Invoice showing the cost per item	The $2,500 per item or invoice safe harbor ($5,000 with an applicable financial statement) is an election made on the return, deducted only as other expenses
Depreciation	13	5140 Depreciation Expense	Purchase invoice, in-service date, and asset register	Section 179 is limited to taxable income from the business
Office or shop rent	20b	5070 Rent / Lease	Lease and proof of each payment	Rented vehicles and equipment go to line 20a; home rent is not here
Repairs	21	No Service account	Repair invoice describing the work	Betterments, restorations and changes to a new use are capitalized, not expensed as repairs
Business licenses	23	6010 Taxes & Licenses	License or permit and payment receipt	Federal income tax and self-employment tax are not deductible here
Payroll taxes (employer share)	23	5110 Payroll Taxes	Payroll reports and tax deposit records	Taxes withheld from employee pay are part of wages, not a second expense
Employee wages	26	5100 Wages & Salaries	Payroll register and Forms W-2	Owner draws are not wages for a sole proprietor
Employee retirement contributions	19	5120 Employee Benefits	Plan statements and payroll records	Your own SEP-IRA or solo 401(k) contribution goes on Schedule 1, not line 19
Lodging on business trips	24a	5090 Travel & Meals	Hotel folio and the trip's business purpose	A receipt is required for lodging whatever the amount
Airfare	24a	5090 Travel & Meals	Ticket receipt and the trip's business purpose	Personal side trips are not business costs; a family member's ticket qualifies only for an employee traveling for a bona fide business purpose
Business meals	24b	5090 Travel & Meals	Receipt with who attended and the business purpose	Generally 50% is deductible; entertainment is excluded
Utilities	25	No Service account	Monthly utility bills	Utilities at your home go through the home office deduction on line 30
Inventory and cost of goods sold	Part III line 42, carried to line 4	No Service account (E-Commerce template: 5000)	Inventory counts and supplier invoices	Unsold inventory at year end (line 41) is not deducted yet