# Small Business Tax Deduction Checklist (2026)

Tax year 2026, filed in 2027. 134 deductions in 14 categories. Check off each one that applies to your business, then gather the receipts, statements and mileage logs behind it.

## Home Office Deductions

You must use a dedicated space in your home regularly and exclusively for business. Choose the simplified method or actual expense method (not both).

| | Deduction | What qualifies | IRS reference |
|---|---|---|---|
| ☐ | **Simplified method** | $5 per sq ft of office space, up to 300 sq ft ($1,500 max) | Schedule C, Line 30 |
| ☐ | **Mortgage interest (business %)** | Portion of mortgage interest based on office square footage percentage | Form 8829, Line 10 |
| ☐ | **Rent (business %)** | Portion of rent if you rent your home, based on office square footage | Form 8829, Line 19 |
| ☐ | **Property taxes (business %)** | Proportional share of real estate taxes for your home office space | Form 8829, Line 11 |
| ☐ | **Homeowner's / renter's insurance** | Business percentage of your home insurance premium | Form 8829, Line 18 |
| ☐ | **Utilities** | Electric, gas, water, trash - business percentage of total | Form 8829, Line 21 |
| ☐ | **Home repairs & maintenance** | General repairs (whole house) deducted at business %; office-only repairs at 100% | Form 8829, Line 20 |
| ☐ | **Home depreciation** | Depreciation of home value (not land) at business percentage over the IRS recovery period | Form 8829, Line 30 |
| ☐ | **Security system** | Business portion of alarm monitoring and equipment for home office | Form 8829 |
| ☐ | **Pest control** | Business percentage of pest control services for the home | Form 8829 |

## Vehicle & Transportation

Choose standard mileage rate or actual expenses for each vehicle. Keep a mileage log either way. Commuting miles are never deductible.

| | Deduction | What qualifies | IRS reference |
|---|---|---|---|
| ☐ | **Standard mileage rate** | 72.5 cents per mile for business miles driven January 1 to June 30, 2026; 76 cents per mile for July 1 to December 31, 2026 | Schedule C, Line 9 |
| ☐ | **Gas & oil (actual method)** | Fuel costs proportional to business use percentage of vehicle | Form 4562 / Schedule C |
| ☐ | **Vehicle insurance** | Business-use portion of auto insurance premiums | Schedule C, Line 15 |
| ☐ | **Vehicle repairs & maintenance** | Oil changes, tires, brakes - business-use portion | Schedule C, Line 9 |
| ☐ | **Vehicle depreciation** | Annual depreciation based on business-use percentage (MACRS) | Form 4562 |
| ☐ | **Lease payments** | Business portion of vehicle lease payments | Schedule C, Line 20a |
| ☐ | **Parking fees** | Business-related parking (client meetings, job sites) - not commuting | Schedule C, Line 27b |
| ☐ | **Tolls** | Tolls incurred while traveling for business purposes | Schedule C, Line 27b |
| ☐ | **Registration & license fees** | Business-use portion of annual vehicle registration | Schedule C |
| ☐ | **Rideshare & taxis** | Uber, Lyft, taxis for business travel (not commuting) | Schedule C, Line 27b |
| ☐ | **Public transit** | Bus, subway, train fares for business trips | Schedule C, Line 27b |

## Health & Insurance

Self-employed individuals can deduct health insurance premiums as an adjustment to income (not on Schedule C). Business insurance goes on Schedule C.

| | Deduction | What qualifies | IRS reference |
|---|---|---|---|
| ☐ | **Health insurance premiums** | Medical, dental, and vision for you, spouse, and dependents (self-employed) | Schedule 1 (Form 1040), Line 17 |
| ☐ | **Dental insurance** | Dental plan premiums for self-employed and family | Schedule 1 (Form 1040), Line 17 |
| ☐ | **Vision insurance** | Vision plan premiums for self-employed and family | Schedule 1 (Form 1040), Line 17 |
| ☐ | **Long-term care insurance** | Age-based premium limits; must be qualified LTC policy | Schedule 1 (Form 1040), Line 17 |
| ☐ | **General liability insurance** | Protects business from third-party claims of injury or damage | Schedule C, Line 15 |
| ☐ | **Professional liability (E&O)** | Errors & omissions coverage for professional services | Schedule C, Line 15 |
| ☐ | **Business owner's policy (BOP)** | Combined general liability and commercial property insurance | Schedule C, Line 15 |
| ☐ | **Workers' compensation** | Required coverage for employees in most states | Schedule C, Line 15 |
| ☐ | **Disability insurance** | Business overhead expense (BOE) disability policies only | Schedule C, Line 15 |
| ☐ | **Cyber liability insurance** | Coverage for data breaches and cyber attacks on your business | Schedule C, Line 15 |
| ☐ | **Commercial auto insurance** | Insurance for business-owned vehicles (not personal vehicles) | Schedule C, Line 15 |

## Retirement Contributions

Retirement contributions reduce your taxable income and grow tax-deferred. Contribution limits vary by plan type and net self-employment income.

| | Deduction | What qualifies | IRS reference |
|---|---|---|---|
| ☐ | **SEP-IRA contributions** | Employer contribution up to 20% of net self-employment earnings after the deduction for half of SE tax (the 25% plan rate for owners), max $72,000 (2026). Deadline: tax filing date + extensions | Schedule 1 (Form 1040), Line 16 |
| ☐ | **Solo 401(k) - employee deferral** | Up to $24,500 (2026) as employee; $32,500 if age 50+ ($24,500 plus the $8,000 catch-up); the catch-up is $11,250 at ages 60 to 63. Elect by year end; deposit by the filing deadline including extensions | Schedule 1 (Form 1040), Line 16 |
| ☐ | **Solo 401(k) - employer contribution** | Up to 20% of net self-employment earnings after the deduction for half of SE tax, on top of employee deferral; total contributions capped at $72,000 excluding catch-up contributions | Schedule 1 (Form 1040), Line 16 |
| ☐ | **SIMPLE IRA** | Employee deferral up to $17,000 (2026); employer contribution is a match up to 3% or a 2% nonelective contribution | Schedule 1 (Form 1040), Line 16 |
| ☐ | **Traditional IRA** | Up to $7,500 ($8,600 if 50+); deductibility depends on income and plan coverage | Schedule 1 (Form 1040), Line 20 |
| ☐ | **HSA contributions** | $4,400 individual / $8,750 family (2026) if enrolled in a high-deductible health plan | Form 8889 then Schedule 1 (Form 1040), Line 13 |

## Office & Supplies

Ordinary and necessary expenses for running your workspace. Items over $2,500 per item or invoice may need to be depreciated unless you elect the de minimis safe harbor. The limit is $5,000 only if you have an applicable financial statement.

| | Deduction | What qualifies | IRS reference |
|---|---|---|---|
| ☐ | **Office rent** | Rent for dedicated office, co-working space, or studio | Schedule C, Line 20b |
| ☐ | **Office utilities** | Electric, water, internet, phone for a separate office space | Schedule C, Line 25 |
| ☐ | **Office supplies** | Paper, pens, ink, toner, sticky notes, folders, envelopes | Schedule C, Line 22 |
| ☐ | **Postage & shipping** | Stamps, FedEx, UPS, USPS costs for business mailings | Schedule C, Line 27b |
| ☐ | **Furniture** | Desks, chairs, shelving, filing cabinets (Section 179 if over $2,500) | Schedule C, Line 22 / Form 4562 |
| ☐ | **Equipment** | Printers, scanners, copiers, shredders for business use | Schedule C, Line 22 / Form 4562 |
| ☐ | **Cleaning & janitorial** | Cleaning services for your business office space | Schedule C, Line 27b |
| ☐ | **Office repairs** | Repairs and maintenance for leased or owned office space | Schedule C, Line 21 |

## Technology & Software

Software subscriptions are generally deductible in the year they cover. Hardware over $2,500 can be expensed under Section 179 or depreciated.

| | Deduction | What qualifies | IRS reference |
|---|---|---|---|
| ☐ | **Computers & laptops** | Business-use percentage of purchase price; Section 179 for full expensing | Form 4562 / Schedule C |
| ☐ | **Tablets & monitors** | iPads, external displays, and peripherals used for business | Schedule C, Line 22 |
| ☐ | **Cell phone** | Business-use percentage of phone cost and monthly plan | Schedule C, Line 25 |
| ☐ | **Internet service** | Business-use percentage of home or office internet | Schedule C, Line 25 |
| ☐ | **Business phone line** | Dedicated business phone or VoIP service | Schedule C, Line 25 |
| ☐ | **Accounting software** | QuickBooks, Xero, FreshBooks, Wave subscriptions | Schedule C, Line 27b |
| ☐ | **Project management tools** | Asana, Monday, Basecamp, Notion, Trello subscriptions | Schedule C, Line 27b |
| ☐ | **CRM software** | Salesforce, HubSpot, Pipedrive and similar tools | Schedule C, Line 27b |
| ☐ | **Cloud storage & hosting** | Dropbox, Google Workspace, AWS, web hosting | Schedule C, Line 27b |
| ☐ | **Design & creative tools** | Adobe Creative Cloud, Canva Pro, Figma subscriptions | Schedule C, Line 27b |
| ☐ | **Domain names & SSL** | Annual domain registration and SSL certificate costs | Schedule C, Line 27b |
| ☐ | **Cybersecurity tools** | VPN, antivirus, password managers for business use | Schedule C, Line 27b |

## Marketing & Advertising

All ordinary and necessary marketing expenses are deductible. This includes digital marketing, print materials, and promotional items.

| | Deduction | What qualifies | IRS reference |
|---|---|---|---|
| ☐ | **Online advertising** | Google Ads, Facebook/Meta Ads, LinkedIn Ads, TikTok Ads | Schedule C, Line 8 |
| ☐ | **Website design & development** | Costs to build, redesign, or maintain your business website | Schedule C, Line 8 |
| ☐ | **SEO services** | Search engine optimization, keyword research, link building | Schedule C, Line 8 |
| ☐ | **Social media management** | Scheduling tools, freelancer fees, content creation for social | Schedule C, Line 8 |
| ☐ | **Email marketing** | Mailchimp, ConvertKit, ActiveCampaign and similar platforms | Schedule C, Line 8 |
| ☐ | **Business cards & stationery** | Printed cards, letterhead, branded envelopes | Schedule C, Line 8 |
| ☐ | **Print advertising** | Newspaper, magazine, flyer, and direct mail campaigns | Schedule C, Line 8 |
| ☐ | **Promotional items** | Branded merchandise, giveaways, samples given to clients | Schedule C, Line 8 |
| ☐ | **Signage** | Business signs, banners, vehicle wraps, window decals | Schedule C, Line 8 |
| ☐ | **Sponsorships** | Sponsoring local events, sports teams, or community programs | Schedule C, Line 8 |
| ☐ | **Photography & videography** | Professional photos or videos for marketing materials | Schedule C, Line 8 |

## Travel

Business travel must be primarily for business. Meals are 50% deductible in most cases. Keep receipts and document the business purpose of every trip.

| | Deduction | What qualifies | IRS reference |
|---|---|---|---|
| ☐ | **Airfare** | Flights for business trips (coach class is safest deduction) | Schedule C, Line 24a |
| ☐ | **Hotels & lodging** | Hotel, Airbnb, or other lodging during business travel | Schedule C, Line 24a |
| ☐ | **Meals (50%)** | Business meals while traveling; 50% deductible. Must document who, where, and business purpose | Schedule C, Line 24b |
| ☐ | **Rental cars** | Car rentals during business travel, including fuel and insurance | Schedule C, Line 24a |
| ☐ | **Baggage fees** | Checked bag fees, overweight charges for business trips | Schedule C, Line 24a |
| ☐ | **Tips** | Tips to porters, bellhops, hotel staff during business travel | Schedule C, Line 24a |
| ☐ | **Dry cleaning on trips** | Laundry and dry cleaning while on extended business travel | Schedule C, Line 24a |
| ☐ | **Wi-Fi on planes/trains** | In-transit internet access purchased for business use | Schedule C, Line 24a |
| ☐ | **Client entertainment meals** | Meals with clients or prospects to discuss business (50%) | Schedule C, Line 24b |
| ☐ | **Per diem (alternative)** | Federal meal and incidental expense rates instead of tracking actual meal costs. Lodging must be actual cost for the self-employed | Publication 1542 |

## Professional Services

Fees paid to professionals for business-related services are generally deductible in the year they apply to.

| | Deduction | What qualifies | IRS reference |
|---|---|---|---|
| ☐ | **Accounting & tax prep** | CPA fees, tax preparation, bookkeeping services, payroll processing | Schedule C, Line 17 |
| ☐ | **Legal fees** | Attorney fees for business contracts and disputes. Fees to form the entity are organizational costs (see Depreciation & Amortization) | Schedule C, Line 17 |
| ☐ | **Bookkeeping services** | Monthly bookkeeping, reconciliation, financial statement prep | Schedule C, Line 17 |
| ☐ | **Consulting fees** | Business consultants, strategists, fractional CFOs | Schedule C, Line 11 |
| ☐ | **Payroll services** | ADP, Gusto, Paychex and similar payroll processing fees | Schedule C, Line 17 |
| ☐ | **Business coaching** | Coaches and mentors hired to improve business performance | Schedule C, Line 27b |
| ☐ | **Virtual assistant** | VA services for admin, scheduling, and business support | Schedule C, Line 11 |
| ☐ | **IT support** | Managed IT services, tech support contracts, network maintenance | Schedule C, Line 27b |

## Education & Training

Education expenses are deductible when they maintain or improve skills required in your current business. Education that qualifies you for a new career is not deductible.

| | Deduction | What qualifies | IRS reference |
|---|---|---|---|
| ☐ | **Online courses** | Udemy, Coursera, LinkedIn Learning - must relate to current business | Schedule C, Line 27b |
| ☐ | **Conferences & seminars** | Registration fees, travel, and lodging for industry events | Schedule C, Line 27b |
| ☐ | **Workshops & masterminds** | Paid workshops, group coaching, and mastermind memberships | Schedule C, Line 27b |
| ☐ | **Books & publications** | Business, industry, and professional development books | Schedule C, Line 27b |
| ☐ | **Professional certifications** | Exam fees and study materials for industry certifications | Schedule C, Line 27b |
| ☐ | **Continuing education (CE/CPE)** | Required continuing education credits to maintain licenses | Schedule C, Line 27b |
| ☐ | **Trade journal subscriptions** | Industry magazines, newsletters, and research subscriptions | Schedule C, Line 27b |
| ☐ | **Webinar & training platform fees** | Zoom, GoToWebinar, or training platform subscriptions for learning | Schedule C, Line 27b |

## Employees & Contractors

Wages and contractor payments are your largest deductions if you have a team. File 1099-NEC for any contractor paid $2,000 or more in 2026 ($600 for earlier years). Payments by card or through a third party payment network go on the processor's Form 1099-K, not your 1099-NEC, even if no 1099-K is issued. Bank transfers and checks still count.

| | Deduction | What qualifies | IRS reference |
|---|---|---|---|
| ☐ | **Employee wages** | Gross wages, salaries, bonuses, and commissions paid to employees | Schedule C, Line 26 |
| ☐ | **Employer payroll taxes** | Employer share of Social Security (6.2%) and Medicare (1.45%) | Schedule C, Line 23 |
| ☐ | **State unemployment (SUTA)** | State unemployment insurance premiums | Schedule C, Line 23 |
| ☐ | **Federal unemployment (FUTA)** | 6% on first $7,000 of each employee's wages (minus SUTA credit) | Form 940 |
| ☐ | **Employee benefits** | Health insurance and group life insurance for employees. Employer retirement plan contributions go on line 19 | Schedule C, Line 14 (Line 19 for retirement plans) |
| ☐ | **Contractor payments (1099-NEC)** | Freelancers, consultants, and subcontractors paid $2,000 or more in 2026 ($600 for earlier years), by check or bank transfer. Card and payment network payments are reported by the processor on Form 1099-K | Schedule C, Line 11 |
| ☐ | **Temporary staffing** | Fees paid to staffing agencies for temporary workers | Schedule C, Line 11 |
| ☐ | **Employee training** | Training programs, onboarding costs, skill development for staff | Schedule C, Line 27b |
| ☐ | **Employee gifts** | Small gifts to employees; confirm the treatment with your tax advisor | Schedule C, Line 27b |
| ☐ | **Recruiting & hiring** | Job postings, background checks, recruiter fees | Schedule C, Line 27b |

## Financial Expenses

Bank fees, interest on business loans, and payment processing costs are all deductible operating expenses.

| | Deduction | What qualifies | IRS reference |
|---|---|---|---|
| ☐ | **Business bank fees** | Monthly maintenance, wire transfer, and check order fees | Schedule C, Line 27b |
| ☐ | **Business loan interest** | Interest on loans used for business purposes (not principal) | Schedule C, Line 16b |
| ☐ | **Business credit card interest** | Interest on credit card balances for business purchases only | Schedule C, Line 16b |
| ☐ | **Merchant processing fees** | Stripe, Square, PayPal transaction fees on business sales | Schedule C, Line 27b |
| ☐ | **Credit card annual fees** | Annual fee on business credit cards used for business | Schedule C, Line 27b |
| ☐ | **Bad debts** | Business debts that become worthless and uncollectible (accrual basis) | Schedule C, Line 27b |
| ☐ | **Late payment penalties** | Penalties paid to vendors for late business payments (not IRS penalties) | Schedule C, Line 27b |
| ☐ | **Safe deposit box** | Rental of safe deposit box for storing business documents | Schedule C, Line 27b |
| ☐ | **Bookkeeping & invoicing tools** | Invoice software, receipt scanning, expense tracking platforms | Schedule C, Line 27b |

## Depreciation & Amortization

Large purchases can be expensed immediately (Section 179, bonus depreciation) or spread over their useful life. Consult your tax advisor for the best strategy.

| | Deduction | What qualifies | IRS reference |
|---|---|---|---|
| ☐ | **Section 179 expensing** | Deduct the full cost of qualifying equipment, up to $2,560,000 for 2026, in the year it is placed in service (ready and available for use). Limited to business income. The limit is reduced dollar for dollar once property placed in service exceeds $4,090,000. SUV cap: $32,000 | Form 4562, Part I |
| ☐ | **Bonus depreciation** | 100% first-year bonus depreciation for qualified property acquired and placed in service after January 19, 2025, in the year it is placed in service | Form 4562, Part II |
| ☐ | **MACRS depreciation** | Standard depreciation over the asset's recovery period (computers, furniture, buildings) | Form 4562, Part III |
| ☐ | **Vehicle depreciation** | Annual limits apply; luxury auto caps for passenger vehicles | Form 4562 |
| ☐ | **Amortization of startup costs** | Deduct up to $5,000 of start-up costs immediately (reduced by the amount costs exceed $50,000); amortize the remainder | Form 4562, Part VI |
| ☐ | **Organizational costs** | Entity formation costs, including legal fees: deduct up to $5,000 (reduced by costs over $50,000); amortize the remainder | Form 4562, Part VI |
| ☐ | **Patent & trademark amortization** | Costs to obtain patents, trademarks, or copyrights are amortized | Form 4562, Part VI |
| ☐ | **De minimis safe harbor election** | Expense items up to $2,500 per invoice or item immediately ($5,000 only with an applicable financial statement) | Statement attached to return |

## Miscellaneous Deductions

These commonly overlooked deductions can add up. Make sure you are tracking all business-related expenses throughout the year.

| | Deduction | What qualifies | IRS reference |
|---|---|---|---|
| ☐ | **Professional dues & memberships** | Industry associations, chambers of commerce, professional orgs | Schedule C, Line 27b |
| ☐ | **Business licenses & permits** | State, city, and county business licenses and operating permits | Schedule C, Line 23 |
| ☐ | **Regulatory fees** | State filing fees, annual reports, franchise taxes | Schedule C, Line 23 |
| ☐ | **Subscriptions** | Business-related SaaS tools, news services, data providers | Schedule C, Line 27b |
| ☐ | **Charitable contributions (C-Corp only)** | Donations to qualified 501(c)(3) orgs; sole proprietors deduct on Schedule A | Form 1120, Line 19 |
| ☐ | **Self-employment tax (50%)** | Deduct half of SE tax as adjustment to income. Calculated on Schedule SE | Schedule 1 (Form 1040), Line 15 |
| ☐ | **Moving expenses (military only)** | Active-duty military moving for permanent change of station | Form 3903 |
| ☐ | **Business gifts** | Up to $25 per recipient per year; keep records of who and why | Schedule C, Line 27b |
| ☐ | **Tax preparation software** | TurboTax, H&R Block, TaxAct - business portion of cost | Schedule C, Line 27b |
| ☐ | **Uniforms & work clothing** | Clothing required for work that is not suitable for everyday wear | Schedule C, Line 27b |
| ☐ | **Research & development** | R&D costs for developing new products or processes (may qualify for R&D credit too) | Schedule C, Line 27b / Form 6765 |
| ☐ | **QBI deduction (Section 199A)** | Up to 20% of qualified business income for pass-through entities | Form 8995 or 8995-A |

## How to use this checklist

1. Go through each category and check off every deduction that applies to your business for the tax year.
2. Gather documentation: receipts, bank statements, mileage logs, and contracts for each checked item.
3. Organize by Schedule C line. Group your expenses by the IRS form reference to make filing faster.
4. Consult a tax professional. This checklist is educational, and a CPA or enrolled agent can apply it to your situation.

This checklist is for information only and is not tax advice. Tax laws change; limits shown are for 2026. Last reviewed October 2026.