A FIELD GUIDE FOR BUSINESS OWNERS

2026 Ultimate Tax *Deductions* Checklist

A working list of the categories where business owners spend money every day, and where each dollar can become a deduction. Use it as you spend, not after the fact. When you see a line that fits something you're paying for, that's the moment to flag it and document it. **If anything raises a question, that's the conversation worth having with your tax strategist.**

Money in your pocket.
Not the IRS's.

2026 AT-A-GLANCE · OBBBA-UPDATED

76¢	$2.56M	100%	20%	$40,400	$25
BIZ MILEAGE, H2	SEC. 179 CAP	BONUS DEP.	QBI · §199A	SALT CAP	GIFT / PERSON

01

SPOT IT

Scan the list when you're about to pay for something. If it matches a category, you've found a potential deduction.

02

DOCUMENT IT

Receipt, business purpose, date, payee. Three seconds at the point of sale beats hours of reconstruction in March.

03

BRING IT

Items you weren't sure about are conversation starters with your tax strategist, not problems to solve alone.

Educational reference. Not tax, legal, or accounting advice.

01

THE COST OF OPERATING

Running the business, *day to day*.

The ordinary-and-necessary backbone of every business return. If you spend on it to operate, it's deductible.

FINANCIAL SERVICES

- ☐ Accounting fees
- ☐ Bookkeeping services
- ☐ Tax preparation
- ☐ Financial advisor fees
- ☐ Investment consultation
- ☐ Bank fees
- ☐ Merchant service fees
- ☐ Payment processing
- ☐ Collection expenses
- ☐ Bad-debt write-offs

LEGAL & PROFESSIONAL

- ☐ Attorney fees
- ☐ Legal consultations
- ☐ Contract review
- ☐ Professional certifications
- ☐ Business licenses
- ☐ Permits and filings
- ☐ Membership dues
- ☐ Trademark and patent filings

WORKPLACE & FACILITIES

- ☐ Rent or lease payments
- ☐ Commercial property taxes
- ☐ Maintenance and repairs
- ☐ Cleaning and janitorial
- ☐ Security systems and monitoring
- ☐ Property insurance
- ☐ Waste removal and recycling
- ☐ Off-site storage
- ☐ Parking lot maintenance

UTILITIES & SERVICES

- ☐ Electricity
- ☐ Water and sewer
- ☐ Natural gas
- ☐ Internet and data
- ☐ Business phones
- ☐ Mobile phones, business %
- ☐ HVAC service contracts

HOME OFFICE

- ☐ Square-footage % method
- ☐ Utilities, business portion
- ☐ Internet, business portion
- ☐ Home insurance, business portion
- ☐ Mortgage interest, business portion
- ☐ Home property taxes, business portion
- ☐ Repairs and maintenance
- ☐ Simplified method, **$5** per sqft
- ☐ Max 300 sqft, simplified

INVENTORY & COGS

- ☐ Cost of goods sold
- ☐ Inventory purchases
- ☐ Freight in
- ☐ Direct labor
- ☐ Inventory write-downs
- ☐ UNICAP, exempt below **$32M**

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02

THE PEOPLE ON YOUR TEAM

Payroll, benefits, *contractors*.

Wages, contractors, and the benefits that retain them. Payroll-side items also trigger employer tax obligations.

COMPENSATION

- ☐ Salaries and wages
- ☐ Bonuses
- ☐ Commissions
- ☐ Overtime pay
- ☐ Holiday and sick pay
- ☐ Performance awards
- ☐ Employee discounts
- ☐ Severance
- ☐ Jury-duty pay

BENEFITS

- ☐ Health insurance premiums
- ☐ Dental and vision plans
- ☐ Retirement match, profit share
- ☐ Life and disability insurance
- ☐ Workers' compensation
- ☐ Education and training reimbursement
- ☐ Commuter benefits (employee exclusion; not employer-deductible)
- ☐ Dependent care, up to **$7,500**

CONTRACTORS & 1099S

- ☐ Freelancer payments
- ☐ Contractor fees, 1099-NEC at **$2,000**
- ☐ Contract labor
- ☐ Outside services and agencies
- ☐ Consultants
- ☐ W-9 collected before first payment
- ☐ Statement of work on file
- ☐ Reasonable-rate justification

03

WINNING CUSTOMERS

Advertising, business *development*.

ADVERTISING

- ☐ Print advertising
- ☐ Digital ads (Google, Meta, LinkedIn, TikTok)
- ☐ Social media management
- ☐ Website development and maintenance
- ☐ Hosting and domains
- ☐ SEO and content production
- ☐ PR services
- ☐ Photography and video production
- ☐ Business cards and brochures
- ☐ Signage and promo items

BUSINESS DEVELOPMENT

- ☐ Business gifts, **$25** per person cap
- ☐ Business meals, **50%** deductible
- ☐ Networking event fees
- ☐ Conference registration
- ☐ Trade show admission and booth fees
- ☐ Industry memberships
- ☐ Sponsorships (local teams, charities)
- ☐ Speaking engagements and panels
- ☐ Client appreciation events

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04

GETTING AROUND

Vehicle and *business travel*.

Mileage and meals require contemporaneous logs. Reconstructing in March almost never holds up.

VEHICLE

- ☐ Standard mileage, **72.5¢** Jan–Jun, **76¢** Jul–Dec 2026
- ☐ Actual expense method (fuel, oil, repairs)
- ☐ Maintenance and repairs
- ☐ Insurance, business portion
- ☐ Registration and DMV fees
- ☐ Parking and tolls
- ☐ Lease payments, business portion
- ☐ Depreciation (heavy vehicles >6,000 lb)
- ☐ Car washes and detailing

BUSINESS TRAVEL

- ☐ Airfare
- ☐ Hotel and lodging
- ☐ Meals on the road, 50% deductible
- ☐ In-flight and hotel internet
- ☐ Conference and event fees while traveling
- ☐ Local transport (taxi, Uber, transit)
- ☐ Rental cars
- ☐ Checked baggage and overweight fees
- ☐ Travel insurance and trip protection
- ☐ Tips on services while traveling

05

TOOLS AND SKILLS

Hardware, software, and *growth*.

HARDWARE

- ☐ Computers and laptops
- ☐ Tablets, monitors, peripherals
- ☐ Printers, scanners, copiers
- ☐ Equipment, machinery, tools
- ☐ Security cameras and alarms
- ☐ Business phones and headsets
- ☐ POS systems and terminals
- ☐ Office furniture

SOFTWARE & SERVICES

- ☐ Accounting and bookkeeping platforms
- ☐ Project management tools
- ☐ CRM subscriptions
- ☐ Cloud storage and infrastructure
- ☐ Cybersecurity, VPN, password tools
- ☐ Email and calendar tools
- ☐ Web hosting and domain registrations
- ☐ AI tools (ChatGPT, Claude, Notion AI)
- ☐ Industry-specific SaaS

PROFESSIONAL DEVELOPMENT

- ☐ Online courses
- ☐ Industry certifications (CE)
- ☐ Conference and summit registration
- ☐ Subscriptions (WSJ, Bloomberg, trade journals)
- ☐ Books and audiobooks
- ☐ Software training and workshops
- ☐ Leadership coaching
- ☐ Masterminds and peer groups

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06

ASSETS, RISK, AND THE START

Big-ticket spending and *protection*.

Equipment purchases, insurance, and the spending that comes with launching or expanding the business.

ASSET MANAGEMENT

- ☐ Sec. 179 expense, **$2.56M** cap in 2026
- ☐ Bonus depreciation, **100%** permanent
- ☐ Regular MACRS depreciation
- ☐ Qualified Improvement Property
- ☐ De minimis safe harbor, **$2,500** per item
- ☐ Maintenance vs. capitalization
- ☐ Asset disposal documentation

RISK MANAGEMENT

- ☐ General liability premiums
- ☐ Professional liability and E&O
- ☐ Cyber liability
- ☐ Commercial auto
- ☐ Business interruption
- ☐ Property and casualty
- ☐ Workers' compensation
- ☐ Safety equipment and PPE
- ☐ Emergency and disaster prep

STARTUP COSTS

- ☐ First-year start-up, up to **$5,000**
- ☐ Organizational costs, up to **$5,000**
- ☐ 15-yr amortization for excess
- ☐ Formation fees, registered agent
- ☐ Pre-launch equipment
- ☐ Initial inventory
- ☐ Launch marketing
- ☐ Market research

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07

RECORDS AND RHYTHM

Documented deductions are *deductible*.

The tax code allows the deduction. The exam officer asks for the records. Capture as you spend.

DOCUMENTATION

- ☐ Receipts (digital or paper)
- ☐ Consistent expense categorization
- ☐ Business purpose memo per item
- ☐ Payment records (bank, card statements)
- ☐ Vendor records and W-9s on file
- ☐ Employee time tracking
- ☐ Contemporaneous mileage log
- ☐ Monthly bank reconciliations

COMPLIANCE

- ☐ Federal and state tax records
- ☐ License and registration renewals
- ☐ Permits in good standing
- ☐ Insurance policies current
- ☐ Employee files (I-9, W-4)
- ☐ Signed contracts on file
- ☐ 1099-NEC and 1099-MISC issued by 1/31
- ☐ Annual report and BOI filings

YEAR-ROUND RHYTHM

Retain records 3+ years. 7 if there's a loss carryforward; indefinitely for asset basis. Keep personal and business accounts separate. Review books quarterly. Surprises in March are preventable when records are kept in real time.

NEXT STEP

Under $75,000 a year? *We'll do your bookkeeping free.*

Monthly bookkeeping, plus a P&L and balance sheet every quarter, at no cost. One 45-minute onboarding, then no meetings. We are building our reputation with owners at this stage, so here is the honest trade:

- Elevated Tax Strategies prepares your yearly tax return. Returns start at $1,000.
- All communication happens in Basecamp. No meetings after onboarding.
- Your bookkeeping is done on Kick.
- You share honest feedback on how it is going.

CLAIM YOUR FREE BOOKKEEPING →

Over $75,000? Book a free call at **elevatedtaxstrategies.com/discovery**

P.S. *Want one tax-saving idea in your inbox each week? Subscribe free to The Write-Off at thewriteoff.tax. Written for business owners, no charge, unsubscribe anytime.*

Reflects the One Big Beautiful Bill Act (Pub. L. 119-21, July 4, 2025). Not tax or legal advice.