The Tax Break Checklist:
Treat Yourself to a Break This Tax Season

Are you gearing up for this year's tax season by peeling through the federal tax code? What? You mean you're not reading through the dense, 72,000-page rule book that is the U.S. tax code to unearth potential tax breaks?

If you're a business owner, it's all too easy to miss out on viable tax breaks amidst the hustle and bustle of your day to day duties. Sure, you're well aware of the common tax deductions. But you have a hunch that you aren't capitalizing on less common, and more lucrative, tax break boons.

Should you purchase that new pick-up truck you desperately need for your construction operation before the end of the year or wait until the year turns? What aspects of your marketing and advertising services can you write-off? What're the benefits of paying taxes on an asset over time rather than one-time deductions? How can you accurately calculate your home office deduction? What new tax-breaks emerged in 2015? Which tax breaks take top priority and which ones are trivial? Unsure where to start? Not to fear, opportunities like these can easily be discovered and exploited by a seasoned CFO.

In fact, an outsourced CFO can do much more than fill your pockets with tax savings. They also specialize in forecasting your future financial performance, providing you with timely and granular financial analyses, and add a fresh strategic perspective to your business. But, if tax season snuck up on you this year and you need a quick fix to deductible discovery, you can use this tax break checklist. It lists tax breaks that may have evaded your detection up until this point. Let's change this year's taxes from the season of 'paying up' to the season of 'saving up'!

BUSINESS EXPENSES

HOME OFFICE

__ *This doesn't mean the room where you keep your laptop, pencil, and pad. It refers to a dedicated space that's been set aside for business use. Follow the steps below to calculate the exact deduction for your home office.*
- ☐ Measure the space you're claiming as a home office.
- ☐ Divide that by the total square footage of your home.
- ☐ Use that percentage to determine the fraction of expenses rent, mortgage, electricity,insurance, etc) you can write-off in relation to your home office.
- ☐ Internet Access Charges (Business Usage Only).

__ Office Supplies
- ☐ From staples to file cabinets to post-it notes.

__ Office Furniture
- ☐ Deduct 100% of the cost in the year of purchase.
- ☐ Deduct a portion of the expenses over a 7 year period (requires an IRS chart to make separate annual calculations).

__ Other Office Equipment
- ☐ Computers, copiers, fax machines, scanners, etc.
- ☐ Deduct 100% of the cost in the year of purchase.
- ☐ Deduct a portion of the expenses over a 5 year period.
- ☐ Equipment repairs

__ Building Repairs and Maintenance

__ Cleaning and Janitorial Services

BUSINESS

__ Consulting Fees

__ Software and Subscriptions
- ☐ Deduct 100% of the cost in the year of purchase (pre
- ☐ viously 3 year depreciation).

__ Auto Maintenance and Mileage
- ☐ You can opt to apply the standard mileage rate or actual expenses (Choose whichever one results in a larger deduction).
- ☐ To calculate your mileage deduction using the stan dard mileage rate: take total business miles traversed and multiply it by $0.575 per mile for 2015 deduc tions or $0.54 per mile for 2016.
- ☐ To calculate the actual expenses: total your parking costs, tolls, maintenance, gas, etc, and pair each expense with the purpose of each trip.

__ Utilities
- ☐ Water, power, trash, and telephone.

  For your telephone bill: deduct the percentage of time used for business calls from your phone bill.

__ Advertising and Marketing
- ☐ Must be directly related to your business
- ☐ Website design
- ☐ Online Services
- ☐ Consulting

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- ___ Depreciation
  - ☐ If you purchase property for your business, you won't be allowed to deduct the entire cost in the year of purchase. However, you can deduct a portion of it on an annual basis as the property depreciates.
- ___ Employees' Pay
  - ☐ As long as you pay in cash, services, or property.
- ___ Cost of Goods Sold
  - ☐ If you manufacture products or purchase them for resale.
- ___ Employee Benefits
  - ☐ Health plans, adoption assistance, educational assistance, and life insurance.
- ___ Office Supplies
  - ☐ Keep Extremely Accurate Records.
- ___ Employee or Client Gifts
  - ☐ Up to $25.00 per person annually.
- ___ Startup Expenses
  - ☐ Deduct up to $10,000.00

MEDICAL

- ___ Medical expenses for the family
- ___ Medical insurance paid
  - ☐ For self-employed people, 100% can be deducted from gross income.
- ___ Prescription medicines and drugs
  - ☐ Crutches, orthopedic shoes, etc.
  - ☐ Hearing aids, eyeglasses, contact lenses.
  - ☐ Equipment for disabled individuals.
  - ☐ Alcohol and drug abuse programs and some stop-smoking treatments.
  - ☐ Weight-loss programs prescribed by a doctor.
- ___ Doctor and dentist payments
- ___ Hospital and nurse payments
- ___ Tax deductible miles traveled for medical purposes
- ___ Nursing home medical expenses
- ___ Care provided for disabled children or spouse
  - ☐ Child and dependent care credit

HOME

- ___ Home mortgage interest from form 1098
- ___ Home second mortgage interest paid
- ___ Real estate taxes paid
- ___ State taxes paid with last year's return *(if claiming itemized deductions)*
- ___ Personal property taxes paid *(cars, boats, etc)*
- ___ Rental management expenses
- ___ Commissions for the sale of your home
- ___ Moving expenses
- ___ Casualty and theft losses
- ___ Services needed for a dependent during your work hours

CHARITY

- ___ Charitable cash contributions
  - ☐ If your contribution exceeds $250, you must submit a letter from the charity organization.
- ___ Fair market value of non-cash contributions to charities
- ___ Unreimbursed expenses related to volunteer work
  - ☐ Meals, travel, accommodations, parking, etc.
- ___ Tax deductible mileage for volunteer purposes
- ___ Donated clothing *(value listed on receipt)*

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- ___ Unreimbursed expenses related to your job
  - ☐ Hotels, means of travel (air, rail, auto), on the road expenses (dry cleaning, rental cars, etc).
- ___ Miles traveled related to your job
  - ☐ Group off-site meetings on the same day to make it easier to keep track of.
- ___ Union and professional dues
- ___ Investment related Expenses
  - ☐ Paid advice or services
- ___ Refinancing points on a Mortgage
- ___ Accounting or legal fees involved with taxes
- ___ Cost of safe-deposit box used for investments or business
- ___ Penalty on early withdrawal of savings
- ___ Alimony
- ___ Job-hunting expenses
- ___ IRA contributions
- ___ Last year's tax preparation fee
- ___ Clean energy credits for purchase of a hybrid car
- ___ Jury duty pay reimbursed to the employer
- ___ Interest
  - ☐ Mortgage Interest
  - ☐ Finance Charges
  - ☐ Payment Plans
  - ☐ Loans

EDUCATION

- ___ Student loan interest paid
- ___ Hope and lifetime learning credits

  This is a type of federal financial aid that doles out tax credits instead of tuition payment.
- ___ Professional journals, newspapers, and books for
- ___ professional enhancement
- ___ Seminars, classes, and trainings for professional enhancement