



10 Ways to Maximize Your Business Tax Deductions

Taxes can whittle away a significant portion of your business's capital. Are you taking advantage of all possible opportunities to lower your taxes through deductions? Keep these ten valuable deduction tips in mind as you total your business expenses for the previous tax year – and as you plan for the future.

1. Take advantage of start-up costs and additional expenses.

The costs of starting a business are often deductible over the first several years of the business's life. Other business expenses such as office supplies, postage and utilities may also be deductible.

2. Record legal and professional fees.

When running a business, you should always seek advice from experts on tax implications and best practices. Fees paid to attorneys, tax professionals or consultants are generally deductible in the year they are incurred. Business owners can also often deduct the cost of books related to doing business or practicing law.

3. Deduct advertising expenses.

The cost of promotional materials such as business cards, digital or print advertisements and even tradeshows may be deductible as current business expenses.

4. Include membership and educational expenses.

If you pay dues for a business-related association or pay to attend business-related seminars, such as CLEs, these may be deducted.

5. Track new equipment or software purchases.

Some small businesses can write off costs of specific assets in the year they are purchased. Software is typically depreciated over a period of time.

6. Make interest work for you.

If you use credit to finance business purchases, the interest is deductible. Be sure to keep records that prove the business used these items.

7. Use your car for business and save.

If you use your car for business or your business owns a vehicle, you can deduct some costs associated with it. There is a standard mileage rate you can deduct, along with tolls, parking fees and sometimes even depreciation.



8. Keep receipts for entertainment expenses.

Careful recordkeeping of coffees, lunches and other business meetings can allow you to deduct these expenses.

9. Give and receive with charitable contributions.

Unless your business is a corporation, most charitable contributions to qualified organizations are deductible. Be sure to maintain receipts, cancelled checks or written verification for your records.

10. Retain all tax documents for at least 7 years.

Good recordkeeping will not only save you time, but may also save you money. Keep copies of tax returns, all receipts, mileage logs, licenses and papers related to incorporation to help authenticate your deductions.

Important Bonus Tip: Seek the advice of a professional. Taxes can be complicated and confusing. To prevent mistakes or oversights, reach out to a tax professional when setting up your practice – and on an annual basis as your firm grows. You can also [visit the IRS website](#) to learn more about deducting business expenses.



Will Petersen

About the Author

Will Petersen oversees attorney advocates at ARAG®. He also develops and maintains relationships with attorneys through ongoing education, process enhancements and program offerings to help them manage their business.

Will received a Bachelor of Arts degree in communications and broadcasting from Brown College in Minneapolis, Minnesota. Will is also licensed in Property & Casualty Insurance in Iowa.



For more information call 866-272-4529
or visit ARAGlegal.com/attorneys.

Limitations and exclusions apply. Insurance products are underwritten by ARAG Insurance Company of Des Moines, Iowa, GuideOne® Mutual Insurance Company of West Des Moines, Iowa or GuideOne Specialty Mutual Insurance Company of West Des Moines, Iowa. Service products are provided by ARAG Services, LLC. This material is for illustrative purposes only and is not a contract. For terms, benefits or exclusions, call 800-758-2860.

This publication is provided as educational material only. While every effort has been made to ensure the accuracy of this publication, it is not intended as legal advice as individual situations will differ and should be discussed with an expert and/or lawyer.