

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

72.5¢ BIZ MILEAGE	\$2.56M SEC. 179 CAP	100% BONUS DEP.	20% QBI · §199A	\$40,400 SALT CAP	\$25 GIFT / PERSON
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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.

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 **\$30M**

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 and transportation benefits
- On-premises meals and snacks
- Dependent care, up to **\$5,000**

CONTRACTORS & 1099S

- Freelancer payments
- Contractor fees, 1099-NEC at **\$600**
- 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

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¢** per mile in 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

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

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

Have questions about anything on this list? *That's the conversation worth having.*

A free discovery call is how we figure out if Elevated Tax Strategies is the right fit. We learn about your situation, walk through where the IRS exposure is biggest, and point you to the right next step. For most business owners, that next step is a full Tax Analysis.

[BOOK YOUR FREE DISCOVERY CALL →](#)

P.S. Curious if you've been overpaying in prior years? Try overpayingtaxes.com free. It's our own tool, built for business owners to feel out the strategy side before you ever talk to us.