



# Heintz Tax Service

## DAYCARE BUSINESS

### A. **TOTAL INCOME FOR BUSINESS**

Payments received for services, cash, credit card, or check. Report only what you received in the tax year.

### B. **EXPENSES**

- a. **Advertising** - newspapers, business cards, shirts - hats, flyers, sports sponsors.
- b. **Car & Truck Expenses** - you can deduct the cost of using your vehicle for business. You will either use the IRS standard mileage rate or your actual expenses such as gas, oil, repairs, insurance etc. **Regardless** of which method you use, you will need to keep records of both business miles **and** the total of all miles for the year for each vehicle used for business.
- c. **Equipment Purchases** - any major purchases you made (this would include any items you bought which will last for more than one year).
- d. **Training/Continuing education courses** - first aid, license renewal courses, etc.
- e. **Insurance** - may include business liability, worker's compensation.
- f. **Interest Paid on Business Loans** - such as start-up loans, equipment loans, and credit cards used solely for your business.
- g. **Leased Equipment** - leased equipment to be used in your business.
- h. **Legal & Professional fees** - lawyers, permits, accountants, tax preparation.
- i. **Cleaning supplies** - paper towels, toilet paper, laundry detergent, cleaners.
- j. **Outside Labor** - the amount you paid people who were not on your payroll to help you in your business. The IRS strongly recommends giving a 1099 to all your employees, regardless of how much you paid them, to protect your tax deduction.
- k. **Repairs and maintenance** – any repairs to business equipment, office equipment and any other furniture or appliances used for the business.
- l. **Repairs and maintenance (Land or Home)** – improvements or repairs to land and/or house that is used in your business.
- m. **Rent** – can also include other business property that your business uses.
- n. **Supplies** – art supplies, crayons, pencils, paper, toys.
- o. **Subscriptions/memberships** – streaming services, journal subscriptions, Costco, etc.
- p. **Taxes** - such as property taxes on business equipment, etc.
- q. **Telephone and cell phones**
- r. **Travel for Business Purposes** - airfare, motel, meals (must be listed separately), tolls, parking, etc. Field trips and entertainment for children.
- s. **Medical Insurance** - if you are self-employed and pay for your own medical insurance or participate in Marketplace insurance.
- t. **Food costs** - You can keep actual purchases for day care food. Keep a record for each day you were open, the number of breakfasts, lunches, dinners, and snacks served.
- u. **Office Expenses** - envelopes, paper, pens, office supplies, postage, business bank fees etc.
- v. **Office in Your Home** – record the square footage of your home and the square footage of the area used for business.

*Generally, anything you have spent for your business is probably a tax deduction. Since every business is unique you may have some other items.*