



A SIMPLIFIED TAX TOOLKIT

•FOR•
BLOGGERS &
BUSINESS
OWNERS

carefulcents.com

A SIMPLIFIED TAX TOOLKIT FOR BLOGGERS & BUSINESS OWNERS

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Welcome!

In case you don't know me already, I'm Carrie Smith Nicholson, the founder of Careful Cents.

In 2011, I started my blog in June, right after I went through a tough divorce. I needed to change my life and get out of the financial hole I was in.

After working multiple jobs, as a Certified Bookkeeper during the day and Tax Specialist at nights and on weekends, I was able to **pay off over \$14,000 of debt** and become debt free.

One year later, on May 1, 2013, I quit my day job to take my online business full-time and I've been self-employed ever since!

Over the years, I've worked with big-name entrepreneurs like Alexis Grant, Monica Louie, and on teams like *The Penny Hoarder* and *The Write Life*.

This has allowed me to see the inner workings of **very** profitable businesses. And I've used this knowledge to come up with simple systems and checklists to **help online business owners scale without the stress!**

Obviously, one of the biggest financial burdens for bloggers and biz owners are taxes. Should you be an LLC? What expenses can you legally deduction? Is there really a way to organized throughout the year?

That's why I'm here, to answer YOUR questions!



In this guide, I answer all of these questions, so **you can stress less** and focus on what really matters!

In this Simplified Tax Toolkit you'll find the answer to your questions, plus learn you'll learn how to:

- Correctly estimate your quarterly tax payments
- Simply set aside enough money for taxes
- Securely submit your QETs online
- Get the most tax deductions you deserve
- Avoid tax penalties and fees
- Recognize tax savings in the future
- Use a tax checklist to stay organized all year

Please note; I am no longer a registered Tax Specialist so this is simply general tax advice from my personal experience. If you have questions or need more help, please seek out a professional accountant or CPA. This information has been updated through the 2017 tax season, in accordance with the IRS requirements for running a sole-proprietor (or single-member LLC) business in the United States.

Estimating Self-Employment Taxes

In this section I'll be sharing how to estimate your taxes for the year, based on the fact that you're a sole-proprietor who files a Schedule C along with your personal tax return. (This can also relate to a single-member LLC entity.)

How much tax should you pay?

If your net business earnings for the year are more than \$400 you're required to file a [Schedule C - Profit or Loss From Business](#) form when you file your yearly tax return.

Depending on your personal situation (whether you're married or single) and which state you live in, you'll generally pay anywhere from 20-30% of your total income in taxes (sometimes up to 50% if you live in states like California).

This includes Federal income tax as well as Social Security and Medicare taxes (called SE tax).

Here's how it breaks down:

- One half Self-Employment tax - 7.7% (Social Security tax - 12.4% + Medicare tax - 2.9% = 15.3% / 2 = 7.7%)
- Personal income tax bracket - 10% (usually starts at this rate for being married, and goes up if you're single, MFS, or head of household)
- State income tax - varies (CO state income tax is 4.63%)
- **BASE TOTAL = 22.33%**

Yep, since you're the boss now you're responsible for your entire SS and Medicare tax payments minus one-half of the deduction you'll take on the front part of your tax return.

This is why I suggest **saving no less than 20%**, although you could estimate your tax at 25-30% depending on your personal income tax bracket and state taxes.

It's better to have more money saved up for taxes than you need, than to be short and need to come up with thousands of dollars on April 15th.

All bloggers and online business owners *should* pay quarterly estimated taxes (QETs). If you don't, you'll likely have to pay a failure to pay penalty (along with interest and fees) when you file your tax return.

Now that you know approximately how much your net business income will be taxed, here are several different ways to more accurately calculate it for your specific situation.

Accounting and Bookkeeping Software

Whether you have a bookkeeper on hand to help manage the books, or do it yourself, you need some sort of accounting system.

In my own experience as a self-employed biz owner, the best programs include:

1. QuickBooks Online or Self-Employed (\$5 /mo).

With a desktop or online version, the QuickBooks line of products help keep all of your income, expenses, bank statements, and receipts organized in one place. It's also easy to export reports to an accountant at the end of the year.

In addition, they just released the new [QB Self-Employed](#) software so you can get the most deductions possible for your business, calculate estimated tax payments, and export transactions to a Schedule C.

2. GoDaddy Bookkeeping (\$3.99 /mo).

Previously called Outright, [GoDaddy Online Bookkeeping](#) is awesome for tracking income payments from PayPal, and ecommerce stores like Etsy, and eBay.

It allows you to organize customer or client information, send invoices, and calculate quarterly tax payments. It also records tax payments made, and exports all of your transactions to a Schedule C.

I love using the mobile app as it easily separates out the different types of income, so I can see what areas are bringing in the most (or which ones need to be improved upon).

3. FreshBooks (\$15 /mo + 60-day free trial).

[FreshBooks](#) is a cloud-based accounting service that has extensive invoicing features, including time tracking, project estimates, and the ability to manage multiple team members.

Just like with QuickBooks Self-Employed, your bookkeeper or accountant can also have a separate login so they can prep reports and balance the bank statements.

In the past, it was difficult to find an all-in-one program, which is **why I use both** GoDaddy Bookkeeping and QuickBooks Self-Employed. QBSE also added new features and now includes invoicing options for freelancers.

You may have to use multiple programs if you aren't getting the features your business needs. Be open to trying and testing new programs until you find the right services for you business.

Estimate With an Online Calculator

If you'd rather calculate quarterly taxes yourself, versus using a bookkeeping program, an additional option is to use an [online self-employment tax calculator](#). Simply fill in your information and the calculator will spit out a close estimate.

There are many different ones available, so you can just do an online search, or even have your accountant produce an estimate for you.

You can also manually calculate your quarterly taxes. Simply add up your gross income for each month, minus your total business expenses, and multiple this figure (your net business income) by 20-30% or whatever you think is the closest to your tax rate.

$$\textit{Net business income} = \textit{gross monthly income} - \textit{business expenses}$$

I basically use this method each month then transfer this figure into a separate bank account marked as "taxes" (more on this below). Then when I make the payment to the IRS each quarter, I use the funds from this bank account to pay the balance.

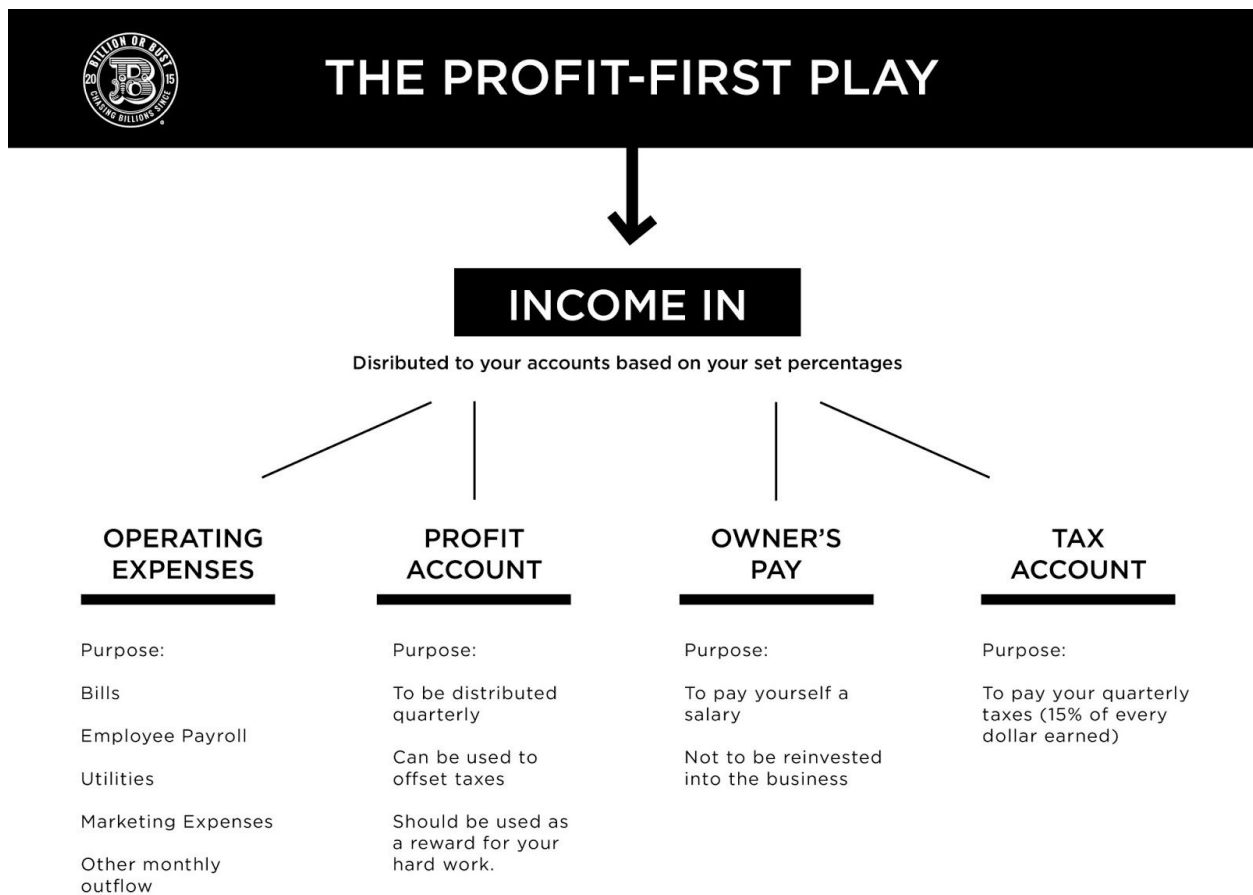
Usually it's pretty close to the QET amount I calculate with the QBSE bookkeeping program.

Opening a Separate Tax Account

After being self-employed for the past 5+ years, I've tried out *many* different methods for paying my tax bill every year.

By FAR the simplest method I've found is to open a separate bank account earmarked for taxes. I discovered this idea from reading the *Profit First* book by Mike Michalowicz that talks about separating your business income into multiple bank accounts (sometimes at different banks).

See the image below:



Having only one account for all of your business transactions may *seem* like it's easier to manage. But in my own experience combining your tax money with your business income/expenses, makes it harder to separate your profits.

Plus, it's not worth the headache -- trust me!

Setting up a separate bank account for taxes (and other business expenses) means you'll have an easier time paying your tax bill. #beentheredonethat

Here's how it works for me: Anytime I get paid for a project or from a client, I immediately transfer 15-20% of the income I earned into [my Digit savings account](#).

Digit is an awesome money app that's text-based so it's easy to save or withdraw money without even thinking about it. As a bonus, if you're a Chase customer (like I am!) Digit will transfer outside funds back-and-forth the same day!

It also automatically saves money for you several times a week (the algorithm makes sure you can afford this!) so there's always a bit of a cushion in your tax account.

It's like a money robot for covering your butt during tax time -- **I love it!**

At the end of each quarter, I use my bookkeeping software to calculate the tax payment and then transfer the funds out of my Digit tax account.

If you can stick to this strategy and continue to set aside tax money from *every single* client payment, the next time you have to pay your tax bill you'll have all the funds covered.

Seriously!

I've proven this time and time again over the past several years and I haven't had any problems paying my business taxes.

Submitting Quarterly Tax Payments

Now that you know how to calculate what your taxes, and have a system in place for setting aside tax funds, here's an overview of *how* to submit the payments each quarter.

Payment dates for 2018 are due as follows:

- 1st quarter – April 15, 2018
- 2nd quarter – June 15, 2018
- 3rd quarter – September 15, 2018
- 4th quarter – January of the following year

And there are three main payments options to choose from.

1. Send in a payment via snail mail.

Go to the IRS website and print off [Form 1040-ES](#). Use the payment voucher (towards the end of the PDF) that corresponds with your current payment period (voucher 1 is Q1, voucher 2 is Q2, etc).

Make your check payable to *United States Treasury* for the amount of your calculated QET. Be sure to include your Social Security or Tax ID and current tax year is in the memo area of the check.

2. Submit your payment online.

Use [the Direct Pay option](#) provided for free by the IRS (this is the method I use). It only takes a few minutes to fill in your name, address, social security number, filing status, tax year for payment, and the reason for payment (which is estimated tax).

Then you input your banking information and schedule when you'd like the payment to be withdrawn. Paying with a checking account is free, but if you'd like to pay with a credit card, **there will be a 2.9% fee.**

Here's a quick breakdown of how to submit your QET payment online:

Head over to the [IRS quarterly tax payment section](#).

- Check “estimated tax” under the Reason For Payment drop down
- Fill in Tax Year for Payment section (2017)
- Click CONTINUE

Verify your identity (using last year's tax info).

- Select the tax year you want to use to identify your info, it's easier to use last year's as it's probably fresh in your mind
- Choose that year's filing status
- Tax period for payment is current year (2016)
- Continue inputting your personal information (name, social security)
- Check the Privacy and Paperwork Reduction Act box
- Click CONTINUE

Enter payment information (from your business checking account).

- Add your payment information from your biz checking acct
- You'll need your bank's routing and account numbers (found on the bottom of your checks)
- Review everything so it looks correct
- Click CONTINUE

On the next page click I AGREE.

- Review all the info you just put in to make sure it's correct
- Click ACCEPT if everything look good
- Put in your name and SS# to sign it
- Click SUBMIT

Print/save confirmation page -- that's it!

All fields are required.

Review & Sign

[EDIT](#)

Please review your responses below. You may edit your responses directly on this page by selecting the "Edit" button. If your responses are accurate, please electronically sign and submit.

Apply Payment To

1040ES ▼

Reason for Payment

Estimated Tax ▼

Tax Year for Payment

2016 ▼

Payment Amount

\$3,904.00

Payment Date

09/15/2016

3. Use the Electronic Federal Tax Payment System (EFTPS).

This *is* another way to pay online, which is hosted by the U.S. Treasury Department. But registration is required and you have to set up a PIN -- which is mailed to you. This can take 10 days to set up.

I've used this in the past for payroll clients and small businesses that have employees. The cool thing about this option is you don't have to input your information each time, and you can set up recurring payments for QETs and payroll taxes (if you have employees).

You can save some time having to write a check or submit a payment online! You can also log into your account and print out a report showing all of your payments, which can be during tax time as record of payments made.

Getting the Most Business Tax Deductions

One of the biggest shocks of self-employment is the relatively large tax burden that can come with it -- especially as your income grows. As a blogger and business owner, you seek to reduce your taxes as much as legally and ethically possible.

There are only two ways to accomplish this:

- From working less (and earning less)
- By claiming lawful deductions

In this section I'm going to focus on the second one. This will help you understand what self-employed deductions are, how they're made and which ones are relevant to you.



A self-employed deduction is designed to **decrease your taxable income** so the amount you're taxed on will be less, therefore saving you a bit of money on taxes.

In order to claim certain deductions you have to fill out specific tax Schedules, Forms and verify whether or not you can itemize any expenses. Deductions simply reduce your taxable income while credits reduce the total amount of tax you pay on that income.

Deductions are considered "above the line" transactions and will reduce your income while credits are "below the line" transactions and will reduce your tax.

Confused? I've got your back!

Here's a graphic breakdown of the difference between a tax deduction and a tax credit.

Tax Deduction		Tax Credit	
Taxable Income:	\$50,000	Taxable Income:	\$50,000
Deduction:	\$800		\$50,000 x 15%
	<i>A deduction decreases your taxable income</i>	Tax Owed (15%):	\$7,500
			\$800
Adj. Taxable Income:	\$49,200	Credit:	\$800
	\$50,000 - \$800		<i>A credit reduces what you owe, dollar for dollar</i>
			\$7,500 - \$800
Tax Owed (15%):	\$7,380	Adj. Tax Owed:	\$6,700
	\$49,200 x 15%		

Legitimate Business Deductions

To be a legitimate business expense it must be both “ordinary and necessary” as it relates to the operation of your small business.

An ordinary expense is accepted if it’s considered common within your industry or trade, while a necessary expense is both helpful and appropriate within the confines of your industry.

[According to the IRS](#), ordinary and necessary expenses include business expenses, cost of goods sold, capital expenses, and personal expenses. In order to claim a legitimate business deduction you must first separate your business and personal expenses.

It's important to note that there is a difference between personal deductions and business deductions.

A personal deduction can be claimed as Standard or Itemized by filling out a Schedule A, while a business deduction can be claimed on a Schedule C and details the profit and loss from a business.

Itemized deductions include:

- Mortgage interest payments
- Medical expenses
- State and local income taxes
- Casualty or theft loss
- Unreimbursed employee expenses
- Investment costs
- Tax prep fees

You may qualify to fill out a Schedule A with your tax return if your total Itemized deductions exceed your Standard deduction (which is \$6,300 if your filing status is single or \$12,600 for MFJ).

Itemized deductions only include personal expenses and will *not* include deductions for business costs.

Deducting Business Use of Personal Assets

Now that you've separated business and personal expenses you can accurately deduct the cost of doing business. You can not deduct regular living or family expenses, but you can claim business use of personal assets.

These "mixed-use assets" can include your home and your car, as well as a portion of your phone and internet usage, home insurance, and even your mortgage as it relates to the home office deduction.

A mixed-use asset is an asset that's used partly for business and partly for personal purposes. You can then divide the total cost between the business and personal to come up with a percentage.

Simply calculate the percentage of what each one is used for, then deduct the business portion of that expense.

Example: Let's say you drive your car 30 days a month, but only 10 of those days are for business-related trips. 30% of the cost you spend on gas, maintenance, and upkeep can be allocated towards the business use of the car and claimed on Schedule C.

Expenses You Can't Deduct (even if it feels like you can)

Although a business transaction *may* be related to the cost of doing business, it doesn't always mean it's a legitimate business expense.

Here are five examples that you cannot take as deductible business expenses.

1. Business clothing and shoes - The only thing you can deduct for clothing is if it's a uniform or part of protective clothing that you're required to wear for work.

2. Commuting costs - Business miles are deductible but commuting from the house to your office is not.

3. Coffee and eating out - You can only deduct the cost of a meal or coffee if you're meeting with a client. You're allowed fifty-percent as a meals and entertainment expense (through 2017's tax season) but not if you're alone.

4. Traffic tickets - Even if you're on a business trip, any tickets, fines or penalties you incur are not tax deductible.

5. Tech gadgets and toys - Just because you *want* the latest and greatest technology doesn't mean it's deductible. Only computers, mobile phones and tablets that are essential to running your business will qualify.

7 Popular Blogger and Business Tax Deductions

Now that you have an understanding of expenses that are not tax deductible, here are some examples of the most popular legitimate self-employed tax deductions.

1. Home office deduction

To accurately calculate and claim the home office deduction this part of your home must be used exclusively for conducting business. It can not be a dual-purpose space.

Prior to the January 2014 filing season self-employed taxpayers had to use the Regular Method to calculate the home office deduction, where you had to determine the actual expenses of your mortgage, utilities, insurance, and other costs.

Now, you can use the Simplified Option for computing business use of the home. You simply deduct \$5 for every square foot of your home office, up to \$1,500 per year (or 300 square feet).

2. Car-related costs (mileage vs. actual expenses)

When deducting the business use of your car, there are two options:

- Standard Mileage Rate
- Actual Expense Method

With the Standard Mileage Rate you take a deduction for a certain number of cents per mile. In 2017 each business mile driven is worth 53.5 cents per mile.

If you choose to use the Actual Expense Method you can deduct the actual costs of using your vehicle (gas, oil changes, repairs, maintenance, insurance, etc) along with any depreciation costs. This method requires much more record-keeping but could result in a larger tax deduction.

3. Meals and entertainment

In order to claim costs you spent on meals and entertainment you'll need to keep adequate records. Save all the receipts and include the total amount, time, place, purpose of business meeting, and the business of your relationship.

Example: any costs for meals you incur while on a business trip, at a conference or meetups with clients, can qualify for the meals and entertainment deduction.

It's important to note that this business deduction will likely be going away due to the Tax Act Jobs Act in 2018.

4. Business travel

Make sure you distinguish between business and personal trips. Only your portion of the business travel is deductible, not the part where your spouse joined you for an extra day.

This includes the cost of:

- Airline ticket Taxis and public transit
- Parking and tolls
- Hotel and lodging

- Baggage charges
- Cleaning and laundry expenses

5. Unpaid invoices

You must first determine if the unpaid invoice (or debt) is partially or totally unpaid. In other words, if the business closed or the client had an accident, you will likely never receive the funds you're owed and can claim the entire unpaid invoice as a "bad debt".

You can only take the portion of the bad debt that you're unable to get paid. Bad debts and unpaid invoices are claimed under Section V of the Schedule C under "Other Expenses".

6. Advertising and marketing

Marketing and advertising expenses can be a small or large chunk of any blogger's business (hello, Facebook ads!).

Thankfully *deductible* expenses include social media advertising, promotional material, business cards, and other costs related to promoting your business and services.

7. Office expenses and equipment

Any office equipment such as computers, desks, chairs, tablets and printers that are used for business purposes can be expensed or depreciated. And don't forget to claim office supplies, like paper, pens, and printer ink.

This list of deductions is by no means complete! But you get the idea.

To see the entire list of self-employed tax deductions [download Schedule C](#) from the IRS website and review the expenses under Part II.

Avoiding Tax and Deduction Penalties

One of the most important things when it comes to managing your own business finances, is to **keep accurate records** of the business deductions you claim every year.

You don't want there to be any room for errors!

Keep all business-related receipts in a safe place, so in the event you're audited you can provide proof. For some deductions, like the business mileage deduction, you have to pay a 25% inaccuracy penalty if you're unable to prove your case for claiming certain deductions.

This is in addition to any tax that's required to be paid and interest on the amount accrued during that time.

Yes, those tax penalties can really add up.

If you end up not qualifying for the home office deduction it will raise your taxable income, forcing you to pay any back income taxes as well as self-employment tax.

This is the main reason why I tell all bloggers and business owners **to take your time when claiming business deductions** to ensure they're accurate!

Properly Documenting Self-Employed Tax Deductions

How do you avoid paying penalties for rejected deductions? By properly documenting your expenses and keeping clean records.

There are multiple ways of doing this:

- Take pictures of your home office space each year
- Use bookkeeping software to correctly organize your deductions
- Save your receipts in a firesafe box or scan them into a file on your computer
- Write down the purpose of your business trip or expense on the receipt
- Be specific--use dates, names and places (you won't remember a year from now so make it easy)

Another way to ensure you won't be hit with any penalties is to stay updated and compliant with IRS rules and changes. Current tax rates change every year so make sure your bookkeeping software is up-to-date.

Check in with your accountant on a quarterly basis and ask about any changes or tax laws that might have changed that will affect your situation.

Stay abreast of all announcements by reading my blog or reviewing [the latest news from the IRS website](#).

Obviously, I do my best to stay updated on the tax laws and I will always share any important updates with you!

Recognizing Potential Tax Savings in the Future

When determining whether a self-employed deduction qualifies as a business expense you want to err on the side of caution.

If you're unsure about a business expense and if it meets the "ordinary and necessary" guidelines, ask your accountant or tax professional for help.

If you feel comfortable justifying your expense in the event you're audited, and know it's used for businesses purposes in a legitimate way, it's often a safe bet to take it.

You can also ask around and chat with fellow professionals to verify what deductions they're claiming and see if yours sounds like a common expense. Again, take your time when listing out any self-employed deductions so you don't rush and make mistakes.

And if you need help, reach out to a CPA or tax professional. **You'll be glad you did!**

Avoiding Double Income Taxation

Do you receive 1099s every year? You could be paying taxes on income you never received. #nojoke

It's true, and it happened me to (several times!). This is why you **MUST** verify your 1099-MISC income every year!

Go over your entire year of income, expenses, and receipts with a sharp eye. Make sure you account for **EVERY** single amount of money you made and no more.

I can't tell you how many times I've seen mistakes with 1099's -- actually I've had 2 this year already! And these incorrect numbers **equaled more than \$2,000.**

For money I was never actually paid!

How does paying taxes on money you never earned sound fair? Ummm, no thank you. This is why you *must* verify that all the deposits for each client add up to the amount that's reported on 1099s you received.

Double check that the income you earned from each client or income stream is the same figure from box 7 on that client's 1099-MISC form.

See the image below as an example.

		A	B	C
		Client	Date	Amount
		Words and Works, LLC		
			1/15/2014	225
			2/15/2014	225
			3/15/2014	275
			4/15/2014	275
			5/15/2014	245
				1,245.00

<input type="checkbox"/> CORRECTED (if checked)		OMB No. 1545-0115	
PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. Words and Works, LLC PO Box 4675 Testing, TX 12345		1 Rents \$	2015 Form 1099-MISC
		2 Royalties \$	
		3 Other income \$	
		4 Federal income tax \$	
PAYER'S federal identification number 61-12345678	RECIPIENT'S identification number 123-45-6789	5 Fishing boat proceeds \$	6 Medical and health car \$
RECIPIENT'S name Carrie Smith Street address (including apt. no.) PO Box 8076 City or town, state or province, country, and ZIP or foreign postal code Dallas, TX 76012		7 Nonemployee compensation \$ 1,245	8 Substitute payments in lieu of dividends or interest \$
Account number (see instructions)		9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>	10 Crop insurance proceeds \$
FATCA filing requirement <input type="checkbox"/>		11	12
13 Excess golden parachute payments \$		14 Gross proceeds paid to an attorney \$	
15a Section 409A deferrals \$	15b Section 409A income \$	16 State tax withheld \$	17 State/Payer's state no. \$
Form 1099-MISC (keep for your records)		www.irs.gov/form1099misc Department of the Treasury - Internal Revenue Service	

If the amount is different there are several possible scenarios. Either recorded a deposit twice, forgot to record a deposit, or your client's accounting department made an error and needs to be contacted.

Most likely it's the last one. (At least in my experience -- payroll departments can be very incompetent.)

Just because the information is on a tax form doesn't make it correct. Double check that the numbers match!

Avoid Getting Taxed Double With a 1099-K

What is a 1099-K? Form 1099-K is for vendors and business owners who receive payments via credit card or third-party processors, like PayPal, Stripe, and Amazon.

This form reports the gross amount of the transactions, but doesn't include any adjustments for credits, refunds, discounts, fees, etc.

If you received payments from clients via PayPal or credit cards, you SHOULD NOT be getting a 1099-MISC! You're likely paying double the taxes!

Yep, your information is being reported to the IRS from a 1099-K as well as the 1099-MISC that your clients sent you. Great...more double taxing for income I never earned.

I'm sorry to say that this is true and happens ALL THE TIME. :(

Talk to Your Accountant

Many accountants these days are not even aware of this change. It's sad but true.

If you employ freelance contractors and are sending them 1099-MISC, you're doing it wrong. And the CPA is making money off forms that don't need to be created.

Talk to your CPA and inquire about the 1099-K and 1099-MISC confusion. Or you can [read this article from my friend Eric](#), who's a certified accountant.

Form 1099-K. Payments made with a credit card or payment card and certain other types of payments, including third party network transactions, must be reported on Form 1099-K by the payment settlement entity under section 6050W and are not subject to reporting on Form 1099-MISC. See the separate Instructions for Form 1099-K.

You may also want to go back through the past several years of 1099-MISC you've received and verify that the income you reported is correct. You may find that you OVERPAID on your taxes, and could have a refund coming back to you.

Business Income & Expenses Tax Checklist

Income Documents

- 1099-MISC from freelance clients or companies
- Income receipts for freelance work (not issued on a 1099)
- Income receipts from advertising or brand sponsorships
- 1099-K from client invoices paid via PayPal
- 1099-MISC from affiliate income (Amazon, Google)
- Receipts for any other self-employed income or products sold
- Value of promotional gifts received (books or products sent for reviews)
- Receipts for estimated tax payments paid quarterly
- Other income statements from revenue earned throughout the year

Expense Deductions

- Website domain hosting and registration fees
 - Promotional and giveaway costs (paid out of pocket)
 - Conference tickets and passes
 - Travel costs (hotel, airfare, rental car, parking, meals)
 - Mileage deduction (client meetings, trips)
 - Business cards, brochures and promotional items
 - Shipping and packaging costs (PO Box fee)
 - Bank charges (credit card interest, service fees)
 - Marketing and advertising fees (email newsletter, Facebook promotions, Twitter ads)
 - Computer software, electronics, apps (Acrobat, Scrivener, MileIQ)
 - Monthly or yearly subscriptions (private forums, networking clubs, magazines)
 - Continuing education costs (books, courses, certificates)
 - Graphic designer fees, website theme or layout costs
 - Employee, assistant and project fees (virtual assistants)
 - Legal and professional fees (lawyer, bookkeeper, accountant)
 - Office supplies, furniture and equipment (desks, computers, printers, paper, ink)
 - Special clothing and supplies (required to conduct business)
 - Internet, phone, fax charges (used for business purposes only)
 - Home office tax deduction (must be a dedicated home office space)
 - Retirement savings and investments
 - Health insurance premiums (self-employed)
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-
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Thanks for reading!

Thank you so much for downloading and reading this Simplified Tax Toolkit. I know tax season is NOT a fun topic, but I hope this information helped ease your mind a little bit.

It's taken me almost 6 years to come up with a good system, and I've tested out lots of different bookkeeping programs. I know exactly what works and what doesn't, so I hope this helped give you some good ideas to start implementing.

Got questions?

Need more in-depth help with your taxes? Want to know if you should be an LLC, S Corp, or other business entity to save money on taxes? I can help!

Click here to [schedule a strategy session](#), so I can answer your questions or guide you through the exact steps.

In fact, [I did an in-depth comparison](#) of why I chose NOT to be an LLC and not an S Corp -- even though it would have saved me loads of money on taxes.

You can also connect with me on Twitter [@carefulcents](#). I look forward to hearing from you.

Happy tax season!

Carrie