

Tax Deduction Cheatsheet

What is a tax deduction? A tax deduction reduces your taxable income, meaning you pay less in taxes. It is any business expense that's "ordinary" and "necessary" to operate your practice. For therapists in private practice, tracking deductible expenses can result in significant savings.*

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*We recommend consulting with your tax expert for your specific business. Please note: this is not an exhaustive list.



Advertising & Marketing

Costs to promote your therapy practice and attract new clients.

- Mail/print ads
- Online advertising (Psychology Today)
- Website design/maintenance
- Professional headshots



Accounting & Bookkeeping

Professional services to manage your practice finances.

- Bookkeeper and CPA fees
- Accounting software (Heard)



Business Meals

50% Deductible

Meals purchased during qualifying business travel.

- Must be during a business trip
- Must not be "lavish" or "extravagant"



Business Trips

Travel expenses for business purposes outside your tax home.

- Away for longer than one work day
- Majority of time spent on business
- Trip is "ordinary and necessary"



Bank Fees

Fees charged by your business bank account.

- Overdraft fees
- Monthly maintenance fees



Membership Fees

Dues for professional organizations related to your practice.

- NASW, APA, AAMFT
- State licensure associations



Software

Software you use to run your practice.

- EHR systems (SimplePractice)
- Video platforms (Zoom, Doxy.me)
- Scheduling and practice management tools



Continuing Education

Training and resources that improve or maintain your professional skills.

- CEU courses and workshops
- Supervision costs
- Books and professional journals



Office Rent & Home Office

Office rent outside your home is fully deductible.

Home office (if you qualify): deduct a portion of mortgage/rent, utilities, and insurance. [See if you qualify →](#)



Payment Processor Fees

Fees charged by payment processors to collect client payments.

- Square, Stripe, PayPal
- IvyPay, SimplePractice Payments



Vehicle Use for Business

You have two options:

- **Standard mileage rate:** 72.5¢/mile (2026)
- **Actual expense method:** Deduct the cost of using your vehicle for business-related travel based on the % it's used. For example: fuel, lease payments, oil, parking fees.



Office Supplies

Materials and equipment used to run your practice.

- Stationery, pens, paper
- Computers, printers, phones



Books & Therapeutic Aids

Resources and materials used in therapy sessions.

- Therapeutic toys and games
- Art therapy supplies
- Weighted blankets, sensory tools

Want the complete list?

[Get the Full Guide](#)