

2025 Small Business Tax Deductions Cheat Sheet

See our cheat sheet on all the tax deductions small businesses need to be aware of!

High-Impact Deductions Most Owners Miss 01

1. Home Office Deduction – Up to \$1,500 (Simplified) or % of actual costs
2. Self-Employment Tax Deduction – Deduct 50% of SE tax (Schedule)
3. Qualified Business Income (QBI) – Up to 20% of net income
4. Section 179 & Bonus Depreciation – Up to \$1.25M Section 179 & 40% bonus in 2025
5. Augusta Rule – Rent home to a business for up to 14 days, tax-free income
6. Hire Your Kids – Shift income, avoid FICA/FUTA under 18

Deductions by Business Type 03

21. Health Insurance (Self-Employed) – Deduct 100% on Schedule 1
22. Long-Term Care Insurance – Deduct up to IRS limits based on age
23. Retirement Contributions – SEP IRA, SIMPLE IRA, Solo 401(k)
24. Education (Skill-Based) – Classes, books, licenses for current work
25. S-Corp: Accountable Reimbursements – Home office, mileage, utilities
26. S-Corp: Payroll Taxes – Employer share deductible
27. S-Corp: Fringe Benefits – Structured via W-2 only
28. C-Corp: Pension Plans – Cash Balance or Defined Benefit plans
29. C-Corp: Charitable Donations – Up to 10% of taxable income
30. C-Corp: Tax Credits – WOTC, R&D, Health Insurance Credit

Essential Deductions for All Businesses 02

7. Business Rent – Office, co-working, and equipment lease costs
8. Utilities – Electricity, water, internet (prorated if home office)
9. Phone & Internet – Deduct % used for business
10. Business Insurance – Liability, property, workers' comp, etc.
11. Office Supplies – Stationery, postage, small tools
12. Business Meals – 50% deductible, 100% for company events
13. Business Travel – Airfare, hotel, rental cars, meals
14. Vehicle Use – 70¢ per mile (2025) or actual expenses
15. Repairs & Maintenance – Fully deductible if not capital improvements
16. Bank & Processing Fees – Credit card, bank, merchant fees
17. Professional Services – Legal, accounting, tax advisors
18. Startup Costs – Up to \$5,000 in startup + \$5,000 in setup
19. Advertising & Marketing – All promo and branding expenses
20. Cost of Goods Sold (COGS) – Inventory, materials, shipping

Hidden or Underused Deductions 04

31. Apps – Slack, Notion, ChatGPT, cloud storage
32. Health Savings Account (HSA) – \$4,300 individual / \$8,550 family (2025)
33. Tax Prep Fees – CPA, software, audit support for business filings
34. Business Loan Interest – Deduct interest, not principal
35. Create-a-Deduction Strategy – Timing purchases, donor-advised funds