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## Business Expense Category Cheat Sheet

IRS Schedule C Categories — Quick Reference | From Holdings (getholdings.com)

Print this out or keep it open while you categorize. Every common business expense mapped to the right IRS category and Schedule C line.

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### Schedule C Line → Category → Common Expenses

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#### Line 8: Advertising

- Google Ads, Facebook Ads, Instagram Ads, LinkedIn Ads
- Business cards, flyers, brochures, banners
- Website design (if primarily promotional)
- SEO services, email marketing tools (Mailchimp, ConvertKit)
- Event sponsorships, trade show booths
- Promotional merchandise (branded pens, shirts)

#### Line 9: Car and Truck Expenses

- Gas, oil changes, car washes (actual method)
- Car insurance, registration — business portion (actual method)
- Mileage at standard rate: **\$0.70/mile in 2026**
- Parking fees and tolls (deductible with either method)
- ⚠️ Choose standard mileage OR actual expenses — not both

#### Line 10: Commissions and Fees

- Sales commissions to independent reps
- Referral/finder's fees
- Platform seller fees (Etsy, Amazon marketplace fees)

#### Line 11: Contract Labor

- Freelancers and independent contractors
- Virtual assistants
- Subcontractors
- Consultant fees
- ⚠ Issue 1099-NEC for anyone paid \$600+ in a year

### **Line 13: Depreciation / Section 179**

- Computers and laptops over \$2,500
- Furniture and fixtures
- Business vehicles (business use %)
- Equipment and machinery
- ⚠ Section 179 lets you deduct the full cost in year 1 (up to \$1,250,000 in 2026)

### **Line 14: Employee Benefit Programs**

- Employee health/dental/vision insurance
- Group life insurance
- Education/tuition assistance
- Dependent care assistance
- ⚠ Benefits for YOU (sole proprietor) go elsewhere — health insurance goes on Form 1040, Line 17

### **Line 15: Insurance**

- General liability insurance
- Professional liability / E&O insurance
- Product liability insurance
- Business property insurance
- Workers' compensation
- Cyber liability insurance
- ⚠ NOT health insurance (that's Line 14 for employees or Form 1040 for you)

### **Line 16: Interest**

- Business loan interest
- Business credit card interest
- Line of credit interest
- Equipment financing interest
- ⚠ Must be for business debt, not personal

### **Line 17: Legal and Professional Services**

- Attorney fees (business-related)
- CPA / accountant fees
- Tax preparation (business portion)
- Bookkeeping services
- Business consulting

### **Line 18: Office Expense**

- Paper, pens, ink, toner, envelopes
- Postage and stamps
- Small supplies under \$200
- Cleaning supplies for office

### **Line 20: Rent or Lease**

- **20a:** Vehicle/equipment leases
- **20b:** Office rent, coworking space, storage units, venue rental

### **Line 21: Repairs and Maintenance**

- Computer/equipment repairs
- Office repairs (plumbing, electrical, HVAC)
- Equipment servicing/maintenance

### **Line 22: Supplies**

- Raw materials and packaging (if not in COGS)
- Safety equipment
- Cleaning supplies
- Small tools

### **Line 23: Taxes and Licenses**

- State/local business licenses
- Business personal property tax
- Employer payroll tax (if not on payroll reports)
- Professional license renewals

### **Line 24: Travel**

- **24a — Travel:** Airfare, hotels, car rentals, taxi/Uber during trips, baggage fees

- **24b — Meals:** Business meals (50% deductible), meals during travel (50%)
- ⚠️ Travel must be overnight and away from your "tax home"
- ⚠️ Always document: who, where, business purpose

### Line 25: Utilities

- Electricity, gas, water (business premises)
- Business phone / cell phone (business %)
- Internet (business %)
- Trash/recycling

### Line 26: Wages

- Employee salaries and wages (W-2 workers)
- Bonuses
- Employee commissions
- ⚠️ NOT contractor payments (those are Line 11)

### Line 27: Other Expenses

- Bank fees and merchant processing fees (Stripe, Square, PayPal)
- Software subscriptions (QuickBooks, Slack, Zoom, Asana, CRM)
- Professional development, courses, books
- Dues and memberships (trade associations, chambers of commerce)
- Subscriptions (industry publications, research tools)

### Line 30: Business Use of Home (Form 8829)

- **Simplified:** \$5/sq ft × office sq ft (max 300 sq ft = \$1,500)
- **Regular:** % of home used for business × (rent/mortgage interest + utilities + insurance + repairs + depreciation)
- ⚠️ Space must be used REGULARLY and EXCLUSIVELY for business

## Quick Decision Guide

Not sure where it goes?	Ask yourself...	Category
Software subscription	Does it directly create my product?	COGS if yes, Line 27 if no

Meal expense	Was it with a client/prospect?	Line 24b (50% deductible)
Amazon purchase	Office supplies or equipment?	Line 18 if <\$200, Line 13 if >\$2,500
Phone bill	100% business?	Line 25 (only business % portion)
Conference ticket	Legit business conference?	Line 27 (Other — Education)
Uber ride	Local or during overnight travel?	Line 9 if local, Line 24a if travel

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## Meals Documentation Reminder

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For EVERY business meal, record:

- **Who** you met with (names)
  - **Where** (restaurant name)
  - **Business purpose** (what was discussed)
  - **Amount** (keep the receipt for \$75+)
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