# Small Business Tax Deductions

This playbook provides a step-by-step guide to help small business owners identify and claim the various tax deductions available to them, in order to minimize their tax liability.

### Step 1: Gather Documents

Collect all financial records including receipts, invoices, mileage logs, bank statements, and previous tax returns.

### Step 2: Identify Deductions

Review the IRS guidelines to identify the tax deductions specific to small business owners, such as office expenses, travel costs, and employee salaries.

### Step 3: Categorize Expenses

Organize expenses into categories that align with IRS tax deduction classifications.

### Step 4: Calculate Deductions

Determine the deductible amount for each category using the appropriate method as directed by IRS rules, which may require calculating a percentage of use for items like home office space or vehicles.

### Step 5: Fill Out Forms

Complete the tax forms required for small business owners, such as Schedule C for sole proprietors, ensuring to include all relevant deductions.

### Step 6: Consult Experts

Seek advice from a tax professional or accountant to verify the deductions and ensure they are maximized and properly documented.

### Step 7: File Tax Return

File the tax return with the IRS by the appropriate deadline, either electronically or by mail, along with payment for any taxes owed after deductions.

## General Notes

### Record Keeping

Maintain accurate records throughout the year to streamline the deduction process and have the necessary documentation ready for tax season or in case of an audit.

### Legal Compliance

Ensure that all deductions claimed are legal and in compliance with IRS rules to avoid penalties or audits.

### Deadlines

Be aware of and comply with all IRS deadlines for submitting tax documents to avoid late fees and penalties.