

Tax Deductions for MLM/Direct Marketing

Income	– Copies of checks and statements from sales, commissions and bonuses
Expenses	
Advertising	– Business cards, newspaper ads, information packets you hand out, free samples, flyers, product testing, videos, and CD's
Children	– Money paid to children for helping with such things as delivering flyers, product, stuffing envelopes, cleaning office, and car, etc.
Commissions and Fees	– Commissions to down line or up line, yearly and/or monthly fees
Cost of Goods Sold	– Cost of products sold whether sold wholesale or retail. Products bought for introduction into business
Delivery or Shipping	– Costs to mail or ship products
Gifts	– Gifts to clients and associates, downline
Office Expense	– Office supplies, forms and receipt books, computer supplies, internet, postage, printing, day planner, palm pilot, bank charges, and web pages
Supplies	– Product samples, supplies to demonstrate products, refreshments and supplies for meetings, tapes, motivational materials, catalogs, brochures, and order forms
Repairs	– Repairs to equipment such as computers and other office equipment
Travel	– Hotels, airfare, cab fare, parking, cleaning while away from home, trip log
Meals and Entertainment	– Meals with clients, potential clients, and associates. Also tickets to movies or events with or for clients.
Education	– Tapes, books, classes, conferences, and seminars
Rent	– Rental fees for equipment, booths for shows, technical equipment, rooms for meetings, etc.
Purchases	– Any equipment, office furniture, computers, or vehicles that cost over \$200
Meetings	– Rent or lease of a building, refreshments, pens, handouts, etc.
Demonstrations/Trade Shows	– Rent of booth, samples, gifts to hostess and downline, etc.
Refunds	– Money given back to clients for return of product, damaged product, unsatisfied customer, etc.
Kits	– Initial kits purchased to join and any additional kits purchased

Accounting	– Receipts for your accounting kit, computer programs, and tax preparation
Dues and Subscriptions	– Dues to professional organizations and magazines that have to do with your trade or business
Insurance	– Professional insurance, liability, vehicle, health, property, in some cases life
Laundry and Cleaning	– This includes uniforms and protective clothing and also your clothing when you are out of town
Legal and Professional Services	– Attorneys, accountants, inspectors, appraisers, etc.
Taxes and Licenses	– Business, professional, state and city licenses. Taxes on property, payroll, and sales tax
Telephone	– Cell phone, long distance calls on home phone, extra phone lines into home for business, fax, or internet
Home Office	– A separate room in your home to do business and accounting. A percentage of utility bills, home owners insurance, property tax, mortgage interest, refinance fees, repairs and maintenance, cleaning supplies, office decor, etc.
Purchases	– Any equipment, office furniture, computers, vehicles that cost over \$200
Mileage or Vehicle	– There are two ways to take a vehicle expense. One is to take the mileage you use when picking up product, supplies, office supplies, meetings, handing out advertising or business cards, meals and entertaining clients, etc. The other way is to take the expense of using the vehicle: fuel, parts, mechanics, oil changes, etc. Along with taking expenses, you can also depreciate the vehicle.