

Tax Deductions for Medical Professionals

Income

Gross receipts from sales and/or services	Receipts for sales and services including consulting and coaching
Other Income	Income from ownership in another business (K1 forms) interest on bank accounts or loans made to someone else

Expenses

Accounting	Software programs for accounting and payroll, bookkeeping, tax preparation, and phone apps
Advertising	Ads in yellow pages, magazines, Internet, business cards, flyers, printing, social media, etc.
Bad Debt	Money loaned or invested that there is no hope of recapturing
Bank Charges	Fees charged by banks to maintain an account, wire fees, ATM withdraw, or other bank services
Children Paid	Money paid to children for helping with such things as delivering flyers and/or product, stuffing envelopes, cleaning office and/or car, modeling. Must keep a detailed log of tasks and how paid.
Commissions/ Contract Labor	Services for medical staff, technicians, message therapists, sales team that are not employees on payroll, etc. You must issue a form 1099 MISC to any individual that is paid over \$600 in a year.
Computer, Internet, and Tech	Software, Online services, Internet expense, computer maintenance
Continuing Educational	Seminars, training, coaching, consulting, reference materials, professional development, etc.
Costs of Goods Sold	Nutritional supplements, medical equipment, or anything else purchased for resale
Dues and Subscriptions	Professional and association dues and magazines
Employee Costs	Board and staff meetings, training, educating employees, and employee benefit programs
Equipment Leased	Payments on equipment you lease for business such as X-ray equipment, office copier, etc.
Equipment Purchased	Office equipment, medical equipment, furniture, machines, etc. that cost over \$500
Gifts	Gifts to clients, employees, and associates limited to \$25 per person per year

Home Office	A separate room in your home to do business and accounting. A percentage of utility bills, home owners or renters insurance, property tax, mortgage interest, refinance fees, repairs and maintenance, cleaning supplies, office decor, etc may be taken. It is determined by square footage of office space vs square footage of the entire house
Insurance	Liability, malpractice, building, health, offered to all employees, key man life
Interest	Mortgage interest on a office building and interest on loans and credit cards
Janitorial Expense	Costs for an individual or company to clean office space, shop space, and grounds, Cleaning supplies, carpet cleaning, window cleaning etc.
Laundry and Cleaning	Cleaning of uniforms, towels, lab coats, etc.
Legal and Professional Services	Attorneys, electronic billing, accountants, consultants, lab services, X-ray services, etc.
Licenses	Professional license, city license, and state licenses etc.
Meals	Meals with clients, employees, potential clients, and associates. Note: entertainment is no longer deductible
Merchant Fees	Credit card convenience fees to take payments by credit card such as merchant services Square, PayPal, etc.
Mileage	There are two ways to take a vehicle expense. If you choose mileage, you take the mileage used when picking up product, supplies, office supplies, meetings, handing out advertising or business cards, meals with clients, etc. The second option is Vehicle (see Vehicle deduction).
Office Expense other than consumables	Office supplies, computer supplies, Internet, postage, phone apps, beverage services
Office Space Rent	Rent for a separate office outside your home, rental fees for equipment booths for shows, technical equipment, storage of equipment, and records
Officer Wages	The IRS law states that an officer (owner) of a corporation, must be paid a reasonable wage for services rendered to the company. They must be paid with a W-2 just like all employees. Take an owner draw for the rest.
Printing	Brochures, forms, signs, etc.
Purchases	Any equipment, office furniture, computers, vehicles that cost over \$500
Repairs	Repairs to equipment such as computers, office equipment, non-office equipment, buildings, etc.
Research and Development	Cost to create or improve products or services. Includes materials, labor, and education
Returns and Allowances	Money refunded for returned products or services, discounts given and rebates on sales
Security	Cameras, alarm systems, guard dogs, or anything used to protect property
Startup Costs	Costs you incur before you open the doors for business, such as setting up accounts, research, advertising, etc. Limited to \$5000 in one year
Supplies	Medical supplies and other things you use to treat patients

Taxes	Payroll, sales, and other business taxes in your area
Telephone	Office phone, cell phone, conference lines, extra phone lines into home for business, fax, Internet,
Tools	Small tools that last less than three years
Travel	Hotels, airfare, cab fare (ex. Uber or Lyft), public transit, parking, cleaning while away from home, business trip log, bus, train, etc.
Uniforms	Scrubs, lab coats, shirts with your company name or logo, protective clothing, etc.
Utilities	Electricity, gas, water, sewer, trash, HOA fees for office, shop or any other facility. See Home Office deduction for deductibility of home utilities
Vehicle	There are two ways to take a vehicle expense. If you choose vehicle, you take the expense using the vehicle: fuel, parts, mechanics, oil changes, car washes, insurance, etc. Along with taking the vehicle expense you can also depreciate the vehicle. Note that unless the vehicle is used solely for the business you must track business use vs. personal use. The second option is Mileage (see Mileage deduction).
Wages	Salaries, wages, bonuses, and commissions paid to employees. An Employee is an individual who an employer controls where, when, and how the work is done, hours worked and use of equipment.
Website Expense	Internet hosting and services, website design, and maintenance