

Self-Employment Business Records and Deductions

Self-Employment and Business Records

If you're self-employed, you need to report that income. You can also claim business expenses to lower your taxable income.

- 1099-NEC or 1099-K showing income earned as an independent contractor
- Records of all business income and expenses
- Documentation for home office expenses, including square footage of home and square footage of area used exclusively for business
- Records for business assets to be depreciated, including cost and date placed in service
- Miles traveled for business purposes.

Deductions

Deductions can reduce your taxable income, lowering the amount of tax you owe or increasing your refund. Generally, you can claim the standard deduction, a flat amount based on your filing status, or itemize deductions. If you itemize deductions, you need information on the following:

- Out-of-pocket medical expenses
- Premiums paid for long-term care insurance
- Form 1098 showing any mortgage interest, mortgage insurance premiums, and points you paid during the tax year
- Real estate taxes
- State and local income taxes or sales taxes
- Taxes paid with your vehicle registration
- Charitable expenses
- Documentation of casualty losses (if you lived or owned property in a federally declared disaster area)