

Tax Filing Tips: **Self-Employment Deductions – For Schedule C**

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The following are some **common** items that may be deducted from self-employment income on **Schedule C (Form 1040)**:

- **Advertising expenses** – Cost of promoting the business.
- **Car/truck expenses** (using standard mileage rate of \$0.56 per mile)
 - » Only mileage from the main job to a temporary work location or second job is deductible.
 - » Expenses such as oil changes, gas, and repairs are included in the standard mileage rate of 65 cents per mile. (Actual method for vehicle expenses is out of scope.)
 - » Taxpayers should keep written records of their business mileage.
- **Parking/toll costs**
- **Legal/professional service fees**
- **Business licenses and regulatory fees**
- **Supplies**
- **Uniforms that are necessary for the business**
- **Fees charged from a parent company** – Some companies like Uber or Grubhub may charge drivers fees throughout the year. These are deductible from the income.



General Rule: Expenses can be deducted from self-employment income if they are considered **"ordinary"** and **"necessary"** for the normal operation of the business.

Where might my self-employment income be reported?

- **1099-MISC** Miscellaneous Income
- **1099-NEC** Nonemployee Compensation
- **1099-K** Payment Card and Third-Party Network Transactions

<https://www.irs.gov/forms-pubs/about-schedule-c-form-1040>

*Business that rent or lease equipment are out of scope

* Taxpayers with nonemployee compensation that is related to a hobby are out of scope