



# How to Organize Small Business Taxes

Don't Miss Any Small Business Tax Deductions

Whether you work alone as a freelance contractor or own a small business, organizing receipts to back up tax deductions can get overwhelming. But, if you miss any digital or paper receipts, you're leaving money on the table. This guide explains the tax deductions you have coming and how to organize paper and digital receipts in one place while having tax data extracted for you.

## 1. Receipts to Keep for Income Tax Deductions

Here's a rundown of the receipts contractors and small business owners need to file income taxes and get the deductions they have coming. Getting organized for income tax reporting is a hassle, and your time is better spent on serving clients or selling products. Consider a solution like Shoeboxed. This service not only stores digital copies, it also automatically extracts data you need to back up tax deductions.

## 2. Vehicle-related Expenses

If you drive a vehicle you own or lease for business purposes, you can deduct the standard mileage rate, currently over 54 cents per mile. The Shoeboxed mobile app tracks miles for you so you don't have to keep a log. The app documents trips and totals miles with the latest standard mileage rate. Shoeboxed gives you instant documentation for this tax deduction.

You can also use the actual expense method to get a tax deduction. You'll use receipts for maintenance, repairs, fuel, insurance and registration costs during the time you used a vehicle for business. Upload these receipts to Shoeboxed and the tax-related data gets extracted from each receipt. You can then create clean-looking reports for you or CPA to use to complete your income tax return.

## 3. Business Travel and Meals Expenses

Whether you spend time in coffee shops getting your work done, meet clients for lunch at a restaurant or travel and stay in hotels for business, save those receipts! Conferences and other venues you travel to count for this tax deduction, as well.

- Hotel, motels, Airbnb or other rentals
- Car rentals, Uber or other ride services, taxi fares
- Air, bus or train fare
- Event registration costs
- Room service or restaurant meals, grocery receipts if you prepare your own meals
- Incidental expenses

## 4. Home Office Deduction

Many individuals who work from home believe they will get audited if they take the home office deduction. However, chances are slim this will happen. Keep home office expense receipts on-hand to back up the tax deduction that's rightfully yours.

- Mortgage interest from Form 1098 from your lender
- Homeowners insurance bills paid over the year
- Electric, heating, water and any other utility bills
- Repair and maintenance expense receipts directly related to the office space, not including decorating

Shoebboxed isn't just for receipts. You can upload the 1098 or any document to save it along with your other income tax-related items.

## 5. Tax-deductible Small Business Expenses You Could Miss

Some tax-deductible expenses are obvious, like office supplies and computers. But, there are many other small business deductions you could miss. Remember, each deduction you forget costs money you could put back into your business. Hold on to those receipts for any expenses directly related to your business.

- Cell phone and internet service.
- Insurance, including an umbrella policy for home office.
- Advertising, social media ads, logo design, marketing videos and website or brochure design.
- Subcontractor fees.
- Business loan and credit card interest.
- Insurance for storage or office space.
- Legal or professional fees.
- Equipment rentals and maintenance.
- Excise taxes and franchise fees.
- Business-related gifts, website hosting, association dues, credit card processing and more.

A Shoebboxed subscription is tax-deductible when used to track your business receipts and other documents.

## 6. Get Your Tax Documents Organized

You probably have paper receipts stowed away for tax time, and digital receipts in your email or stored in online accounts. Getting every tax deduction you have coming is much easier when you have all your freelance work and business receipts organized in one place.

You could print digital receipts and organize them in a file with the paper receipts and statements. While this is effective, it's time-consuming, and it takes more time to add up the expenses later. It's easier to use Shoeboxed to upload and organize your receipts.

Shoeboxed doesn't only store documents and receipts. The service extracts the date, amount paid and payee for you. Data gets verified by a human, so you can be confident the numbers are correct. Shoeboxed can organize each receipt by one or more business or tax-related category to make it easy to create reports and find data you need.

## 7. How to Send Receipts to Shoeboxed

You have five options to get receipts and other papers into Shoeboxed. Just choose the easiest method for each type of document, and Shoeboxed's technology finds the date, total and vendor name, then stores that data after a human verifies accuracy. The app also assigns categories to receipts to make reporting easy. You can edit any of this information, but you probably won't have to.

1. **Snap a photo** with the mobile app.
2. Find **receipts stored in your email and forward them** to an email address Shoeboxed.
3. Download receipts in jpg, .png, pdf, .gif or tiff formats from merchant websites. Select all files at once and **drag and drop to the online app** or use the upload tool.
4. Use a scanner for each receipt and save it as one of the file types mentioned above. Drag and drop or **use the upload tool in the web app**.
5. **Use a Magic Envelope and let Shoeboxed do all the work for you.** You can place all receipts in the Magic Envelope Shoeboxed provides, then mail it to Shoeboxed postage-free to have the receipts processed. Receipts get returned to you in the same order you send them, so you keep a physical copy and an online copy.

## 8. Keeping Tax Deductible Receipts Safe

Shoebboxed stores all receipts, statements, 1099s and any other items with bank-level data encryption for security. Your data is backed up to an additional secure and undisclosed source. Documentation can't get destroyed by natural disasters or equipment failure. Shoebboxed is TRUSTe certified, too.

## 9. Shoebboxed Data and Your Tax Deductions

Shoebboxed finds tax deductions and makes number crunching easier. After extracting the data from each receipt, Shoebboxed can create reports that do the math for you. Since receipts get categorized, you can find all home office receipts and create a report with totals in a few clicks. Save reports as a PDF or in a format for more in-depth analysis in a spreadsheet.

Most accountants prefer working with the accuracy of digital files. Whether you complete your tax return or have a professional do the job, Shoebboxed reports save time while ensuring the numbers are correct.

Shoebboxed stores receipts, business cards and other documents in one easy-to-access secure cloud-based account. Use the mobile app to track business mileage, and Shoebboxed is your all-in-one tool for getting every tax deduction you have coming.

### Sources:

<https://www.irs.gov/faqs/small-business-self-employed-other-business/form-1099-misc-independent-contractors/form-1099-misc-independent-contractors>  
<https://www.irs.gov/newsroom/irs-reminds-employers-forms-w-2-w-3-some-forms-1099-misc-due-jan-31>  
<https://smallbusiness.chron.com/can-earnings-amazon-taxed-58887.html>  
<https://www.irs.gov/businesses/small-businesses-self-employed/estimated-taxes>  
<https://www.irs.gov/businesses/small-businesses-self-employed/understanding-employment-taxes>  
<https://www.irs.gov/publications/p463> <https://www.irs.gov/taxtopics/tc510>  
<https://www.irs.gov/businesses/small-businesses-self-employed/irs-audits#far-back>  
<https://www.policygenius.com/blog/6-documents-every-freelancer-needs-to-file-their-taxes/>  
<https://squareup.com/us/en/townsquare/which-receipts-do-you-need-to-keep-as-a-small-business-owner>  
<https://quickbooks.intuit.com/r/professional/want-to-avoid-an-audit-make-sure-your-home-office-is-irs-compliant/>  
<https://www.irs.gov/pub/irs-pdf/f8829.pdf>  
<https://www.fool.com/taxes/2018/05/20/say-goodbye-to-the-home-office-deduction-unless-yo.aspx>  
<https://ttlc.intuit.com/community/taxes/discussion/inventory-value/00/2341>  
<https://www.investopedia.com/terms/c/cogs.asp>  
<https://support.shoebboxed.com/knowledgebase/articles/104953-how-can-i-scan-and-upload-my-documents>  
<https://www.shoebboxed.com/security/>  
<https://money.usnews.com/money/personal-finance/taxes/articles/know-how-and-where-to-store-your-tax-documents>  
<https://support.shoebboxed.com/knowledgebase/articles/105407-i-m-getting-ready-to-send-in-my-first-envelope-to>

Join over one million businesses scanning & organizing receipts, creating expense reports, and more with Shoebboxed.

[Shoebboxed.com](https://www.shoebboxed.com) | 1 (888) 369-4269 | [Try it for Free!](#)

PCMAG.COM

TIME

The New York Times

