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Here are the most common business expenses that are fully deductible against your business income: **FULLY DEDUCTIBLE BUSINESS EXPENSES**

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- Accounting fees
- Advertising
- Bank charges
- Commissions and sales expenses
- Consultation expenses
- Continuing professional education
- Contract labor
- Credit and collection fees
- Delivery charges
- Dues and subscriptions
- Employee benefit programs
- Equipment rentals
- Factory expenses
- Insurance
- Interest paid
- Internet subscriptions, domain names, and hosting
- Laundry
- Legal fees
- Licenses
- Maintenance and repairs
- Office expenses and supplies
- Pension and profit-sharing plans
- Postage
- Print and copy
- Professional development and training
- Professional fees
- Promotion
- Rent
- Salaries, wages, and other compensation
- Security
- Small tools and equipment
- Software
- Supplies
- Taxes
- Telephone
- Trade discounts
- Travel
- Utilities

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For more information, see [Publication 535, Business Expenses](#).

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## Partial Deductible Business Expenses

Not all expenses are fully deductible. Some expenses are only partially deductible:

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- **Gifts:** are deductible up to \$25 per person. Gift items that cost \$4 or less are fully deductible.
  - **Automobile and transportation expenses:** must be split between personal use (non-deductible) and business use (deductible).
  - **Home office:** must be split between personal use (non-deductible) and business use (deductible).
  - **Meals and entertainment:** only 50% is deductible.

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For more information on partially deductible expenses, see [Publication 463, Travel, Entertainment, Gift, and Car Expenses](#).

For the home office deduction, see [Publication 587, Business Use of Your Home](#).

## Nondeductible Expenses

Some business expenses, even though they may be directly related to your trade or profession, are never tax-deductible:

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- Bribes and kickbacks
  - Contributions to political parties or candidates
  - Dues and membership fees for social clubs
  - Lobbying expenses
  - Penalties and fines

For more information, see [chapter 11 of Publication 535](#).