Tax Deductible Expenses for Photographers

*Photographers: Use this list to help organize your photographer tax preparation.*

This is a basic list of typical expenses incurred by photographers. You may have others.

- Book, magazines, reference material
- Business insurance
- Business meals and entertainment
- Cabs, subways, buses
- Equipment
- Film developing/processing
- Film supplies
- Gas and electric
- Internet/web site
- Legal and professional fees
- Memberships (professional organizations)
- Messengers, private mail carriers, postage
- Mortgage interest/taxes
- Office supplies
- Promotion
- Props
- Software
- Staff fees
- Studio rent
- Studio supplies
- Stylists/makeup
- Tax preparation
- Telephone
- Travel

The above is from [http://www.freelancetaxation.com](http://www.freelancetaxation.com)

Tax Day is right around the corner, and the best thing you can do before you file (if you haven’t already) is to educate yourself. The second best thing you can do is keep good records, as you can often use the tax laws to your advantage if you’ve got the documentation to back up your claims.

Before you start figuring possible tax deductions, you must decide whether you’re running a business or have a hobby for tax purposes. You make the determination, but the IRS won’t be pleased if you claim business deductions and aren’t striving to turn a profit.

In short, you’re running a business if your photography is a “for-profit endeavor”. [What does this mean?](http://www.freelancetaxation.com) The IRS says:

“An activity is presumed for profit if it makes a profit in at least three of the last five tax years, including the current year.”
Here are some questions the IRS also suggests asking yourself before claiming business expenses:

- Do you depend on income from the activity?
- If there are losses, are they due to circumstances beyond your control or did they occur in the start-up phase of the business?
- Do you have the knowledge needed to carry on the activity as a successful business?
- Does the activity make a profit in some years?
- Do you expect to make a profit in the future from the appreciation of assets used in the activity?

If your photography is not for profit, then allowable deductions can’t exceed the gross receipts for your work. You can read more about hobby deductions under IRC 183 [here](#), but assuming that you’re running your photography business for profit, [here are 10 common tax deductions to consider when filing](#):

*Please note that nothing here should be taken as legal advice or replace legal tax consultation. Always consult an accredited accountant or attorney before making decisions regarding your taxes.*

1. **Automobile expenses**
   You have two options here: you either can track the mileage you travel for photography purposes and deduct the government rate per mile (currently $0.565); or you can calculate what it costs to operate your vehicle for the year and apply the percentage that you use it for photography to determine your auto expense. For either method, make sure to record the starting mileage for your vehicle each year.

2. **Travel expenses**
   If you’re traveling for the purpose of your photography business, keep receipts for airfare, car rentals, taxis, public transportation, meals, lodging, and other expenses.

3. **Housing costs**
   If you operate your photography business out of your home, you may deduct a percentage of your housing costs (mortgage, water, electricity, insurance, etc.) based on the proportion of the house that is used solely for photography. You’ll need to know the square footage of your office space and the total square footage of your home to determine this proportion.

4. **Office or studio space**
   You may not deduct the expenses for both an office at home and elsewhere, such as a studio. If you buy or rent a studio or office space elsewhere, this is another business expense.

5. **Phone lines**
   You can deduct the cost of a phone line for your business as long as you also have a personal line. You also may deduct the cost of long distance calls made for your photography, so keep your phone records.

6. **Education**
   You may be able to deduct the cost of photography seminars and workshops, so track those expenses.
7. Internet and website expenses
You may allocate a proportion of your Internet and website expenses that support your photography business. Be sure to apportion an appropriate amount for your personal use, where applicable.

8. Equipment
Equipment that lasts more than one year (cameras, computers, etc.) is considered “listed property” and are subject to different rules. Listed property must be used for more than 50% qualified business use, and depreciated over the expected life of the item – meaning that you deduct only a portion of its cost each year. Maintain a spreadsheet with the date of purchase and the depreciation schedule so that you will know the basis of the equipment if you sell it before the end of the five years.

9. Insurance
Insurance to protect your equipment or business investment is deductible. Also if you have a business license, you may deduct the cost of the license.

10. Accountant and attorney fees
You may deduct your accountant and attorney fees (including fees for registering your copyrights) that support your photography business activities, so keep copies of invoices from those professionals.

The above is from: http://blog.photoshelter.com/2014/04/10-common-tax-deductions-for-your-photography-business/

I know that some people feel hiring a tax professional or CPA to do their personal and business taxes is too expensive. I want to emphasize that I think it is a super great idea to tax hire professionals when you are unsure about things yourself. CPA’s and income tax professionals can help answer your questions and ensure you are doing things right…

BUT if you are confident that you know what you are doing, TurboTax is actually really great. I have personally used the TurboTax Home & Business version to do my taxes for the past few years and found it to be straightforward and easy to use. It leads you through all of the categories for Schedule C Expenses, and really “holds your hand” through the entire process for filing your taxes, from start to finish.

Advertising
Busines cards, yellow page listings, web advertising, banner ads, pay per clicks and facebook ads, promotional purchases and giveaways, brochures, mailers, flyers, fees paid to add and public relations agencies, website creation and hosting, business logo design, marketing e-mails and direct mail campaigns, SEO and web traffic analysis, promotional events, newspaper or magazine ads, professional performance videos, package design fees, catalogs, billboards and display racks or signs, sponsorships, banners and posters for business, stickers, door hangers

Business Travel
Air, train, bus fare for business travel, rental car expenses, hotel expenses for business travel, taxi and shuttle fares while on business, gas, oil, parking fees and tolls while on business with rental
vehicles, computer or internet fees while away, phone calls, tips while traveling (except meal tips which are only 50% deductible), dry cleaning or clothes cleaning if you are staying somewhere overnight and need clothes cleaned, cost of shipping baggage, supplies, products or equipment necessary for business, cost of storing baggage or luggage while on business trip, late check-out charges that are required.

**Commissions**
Finders fees, sales commissions, fees for legal referrals, shared commissions, commissions paid to managers or agents that are not employees, fees to drop shippers or fees for online referrals. If you paid an independent contractor/freelancer $600 or more for services on a project and didn’t withhold any taxes you need to send that contractor and the IRS a Form 1099-MISC.

**Communication expenses**
Second line for business, cell phone service for business, long distance fees, wireless access to mobile devices for business, internet phone service, voice mail and answering services, video conferencing services, wireless routers and cables, fax line

**Contract Labor**
If you paid an independent contractor/freelancer $600 or more for services on a project and didn’t withhold any taxes you need to send that contractor and the IRS a Form 1099-MISC. This could be part-time programmers for special projects, writers, designers, additional administrative and data entry support, seasonal workers – second shooters, fees paid for outsourcing project work.

**Insurance Payments**
health, long-term care, liability insurance

**Interest Payments**
business credit cards, loans and property interest

**Legal and Professional Fees**
Business related legal matter fees, association memberships such as WPPI, PPA, etc., organization dues, accounting fees, short-term/one-time consulting fees for things like management, marketing, engineering, technical info, fees paid for website analysis, other outside consulting fees for short-term advice.

**Meals and Entertainment**
Meals while traveling, entertaining business associates – remember only deductible at 50%

**Office Expenses**
These are related to your office space – so pickup and delivery services, bottled water delivery, shredding services, backup data and arhiving services, office cleaning, office decorating, security system for office, fees for places like Costco and Sam’s club where you will buy things for your office use
**Rental Expenses**
Computers, copiers, lenses, cameras, storage and space rental, studio

**Repairs and Maintenance**
Fees to fix your business space or equipment – painting, electrical repair, lens repair, camera repair, computer repair, carpet and furniture cleaning in the business space, etc.

**Supplies**
Pens, paper, pencils, pads, printer ink, toner, copier paper, data CDs, DVDs, stamps, labels, envelopes, mailers, flash drives, memory cards, shipping materials, storage and filing boxes, whiteboards and markers, calendars and planners, staples, staplers, scissors, tape, rules, calculators.

**Taxes and Licenses**
Payroll and unemployment taxes for employees, business licenses and permits, professional licenses and renewals, real estate taxes for business property, DBA filing fee, incorporation fees, business name or search fees, copyright application and registration, trademark fees, any other taxes imposed by your city, state, county required for you to conduct business, fee to acquire a lease

**Utilities**
These expense are for your business office or properties only and NOT your home office. This would be gas, electric, water, trash collection

**MOST THINGS WILL FALL INTO THE FOLLOWING CATEGORY**

**OTHER Miscellaneous Expenses**
Adobe creative cloud and other similar monthly charge software services, bank charges, business related gifts, shipping and postage fees, book and magazines used in business, credit card processing fees, paypal processing fees, conferences and conventions, continuing education expenses, workshops, small tools, tax return software used for business, start-up costs up to $5000, shipping and postage.

The above is from: [http://niftyknowledgerocks.com/schedule-c-expenses/](http://niftyknowledgerocks.com/schedule-c-expenses/)