

Some Tips for Self-Employed & Cash Workers



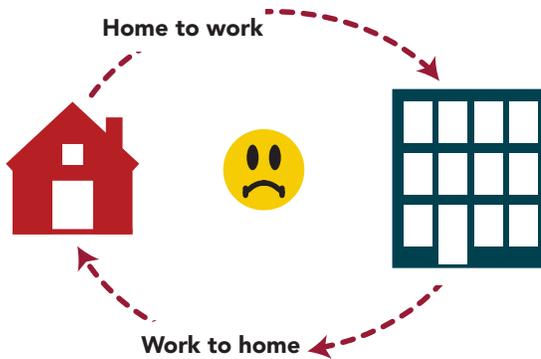
- **Keep your receipts.** You don't absolutely need them to do your taxes, but they'll protect you in case of an audit.
- **Remember the standard mileage rate** (*57.5¢/mile in 2015*). If you do your taxes with a free preparer like MEDA, you're not going to deduct the costs of gas, repairs, insurance or car payments. Instead, you'll multiply your business miles by the standard mileage rate.
- **Count your miles.** (*See the other side of this sheet for info on which trips count.*)
- **Keep your parking and toll receipts.** These are the only car-related costs not covered by the standard mileage rate.
- **Use a calendar or organizer:**
 - Every day, write down what you spent for work and how many miles you drove—separating miles for work from other miles.
 - Add up your costs every month to have a sense of your net income.
- **Don't throw your records out!**
 - Even if you don't get audited this year, your records could still be helpful to you. The IRS can audit up to seven years back.
- **Some common deductions with which to be careful:**
 - **Home office:**
 - You can claim only the square footage of your home *used only for work*—a separate room might count, but a desk in the corner of your living room won't count.
 - The exception to this rule is child care providers *caring for kids in the home*—they can claim the full square footage.
 - **Meals:**
 - Meals are only deductible on business trips that take you *out of your metro area overnight*.
 - You can only deduct *50%* of meal costs on trips.
 - **Cell phone:**
 - If you use your phone for work *and* personal calls, you should only deduct the *percentage of calls that were work-related*. For example, if your bill for the year was \$600 and half your calls were for work, you can deduct \$300.
 - If you get audited, the IRS may make you go through every one of your calls for the year and say if it was personal or work-related!
 - **Bus passes:**
 - If you're paying for a monthly pass, you can claim only the *percentage of your trips that were work-related*. For example, if you took the bus 70 times for work and 30 times for personal trips, you can deduct 70% of the cost of the monthly pass.

How to count your work trips



Travel between home and **one** worksite

No deductible miles



Travel between home and **multiple** worksites

Some deductible miles

