



INTRODUCTION

In order to deduct expenses in your trade or business, you must show that the expenses are "ordinary and necessary." An ordinary expense is one that is customary in your particular line of work. A necessary expense is one that is appropriate but not necessarily essential in your business. The application of these terms to you relies heavily on the "facts and circumstances" of your unique situation.

AUTO TRAVEL:

Continuing Education (mi.)	
Field Trips (mi.)	
School - Pickup & Delivery (mi.)	
Shopping - Food & Supplies (mi.)	
Parking (\$)	
Tolls (\$)	
Other: _____	
Other: _____	

CAPITAL PURCHASES:

Car Seats	
Cribs	
High Chairs	
Jungle Gym	
Slides	
Swings	
Other: _____	
Other: _____	

ALLOCATED EXPENSES *: (Read Instruction below)	Direct	Indirect
Dishwasher		
Dryer		
Fencing		
Refrigerator		
Television		
VCR		
Washer		
Other: _____		
Other: _____		
Other: _____		
Other: _____		

SUPPLIES & EXPENSES:

Advertising	
Arts & Crafts Materials	
Bond	
Books - Children's	
Bottles - Baby	
Child-proofing Devices	
Cleaning Supplies	
Continuing Education (care provider)	
CPR Training	
Diapers	
Educational Toys	
First Aid Supplies	
Food	
Formula	
Insurance - Business	
Laundry	
Laundry Supplies	
Legal & Professional Services	
License	
Office Supplies	
Paper	
Party Supplies	
Payroll	
Repairs	
Replacements	
Tax - Business	
Tax - Payroll	
Tax Preparation	
Telephone	
Tickets, Fees, etc. - Field Trips	
Toilet Paper, Paper Towels	
Toys	
Other: _____	

BUSINESS USE OF HOME:

Total Square Feet of Home	
Business Area of Home	
Business Hours (total for year)	
Home Mortgage Interest	
Property Taxes	
Insurance	
Homeowners/Condo Association	
Rent	

ALLOCATED EXPENSES *: (Read Instruction in opposite page)	Direct	Indirect
Cleaning Service		
Gardener		
Maintenance		
Painting		
Pool Service		
Pool Supplies		
Repairs - Exterior		
Repairs - Interior		
Repairs - Yard, Fence, etc.		
Trash Service		
Utilities - Cable		
Electric		
Gas		
Water		
Other: _____		
Other: _____		
Other: _____		
Other: _____		

* Expenses related to your home office can either be direct or indirect expenses. Direct expenses are those which can be directly allocated to your business, such as a separate phone line or Internet connection exclusively for your business. Indirect expenses are those that are allocated to the entire house, such as electric, gas and water expenses.