

Tax checklist 2023 - for self-employed individuals

Income

- Records of business income if you are an independent contractor or self-employed (you are considered self-employed if you received 1099-NEC or 1099-K)

Cost of goods sold

- Inventory value at the start of the year and end of the year
- Purchases of goods/merchandise during the year
- The above applies to retail businesses; for manufacturing businesses, calculations are more complex

Expenses

- Advertising and promotions
- Business meals (restaurant meals are deductible at 50% in 2023); entertainment is no longer deductible
- Computer and website
- Continuing education
- Dues and subscriptions
- Health insurance costs (not deductible if provided by an employer)
- Liability, professional indemnity or premises insurance
- Internet (estimate a business use percentage of internet at home)
- Licenses and permits
- Office supplies and expenses
- Postage
- Professional fees
- Rent, repairs and maintenance (not home-office related)
- Telephone (estimate a business use percentage of your personal cell phone)

Business use of home (see our [Business use of vehicle checklist](#))

- This applies only if you use any area of your home exclusively for business/storage
- Square footage of business space and total square footage of the home
- Direct expenses (these apply only to business space, e.g. painting your home office)
- Indirect expenses (apply to the entire property: rent or mortgage interest, insurance, property taxes, utilities, general repairs, maintenance, security system, etc.)
- Date and purchase price of home plus improvements (for depreciation)

Business use of vehicle (see our [Business use of vehicle checklist](#))

- Year, make and model of vehicle used for business
- Business miles and **total** miles added to the vehicle during the year (**total** miles means the difference in the odometer reading on the first and last day of the year)
- Mileage log does not need to be provided but should be maintained for audit purposes along with vehicle records showing its mileage
- Business mileage rate for 2023 is \$0.65½ per mile

Other

- Did you receive any business loans or grants?
- Did you buy any business assets over \$2,500? Please provide the description, amount and date of purchase/installation.



