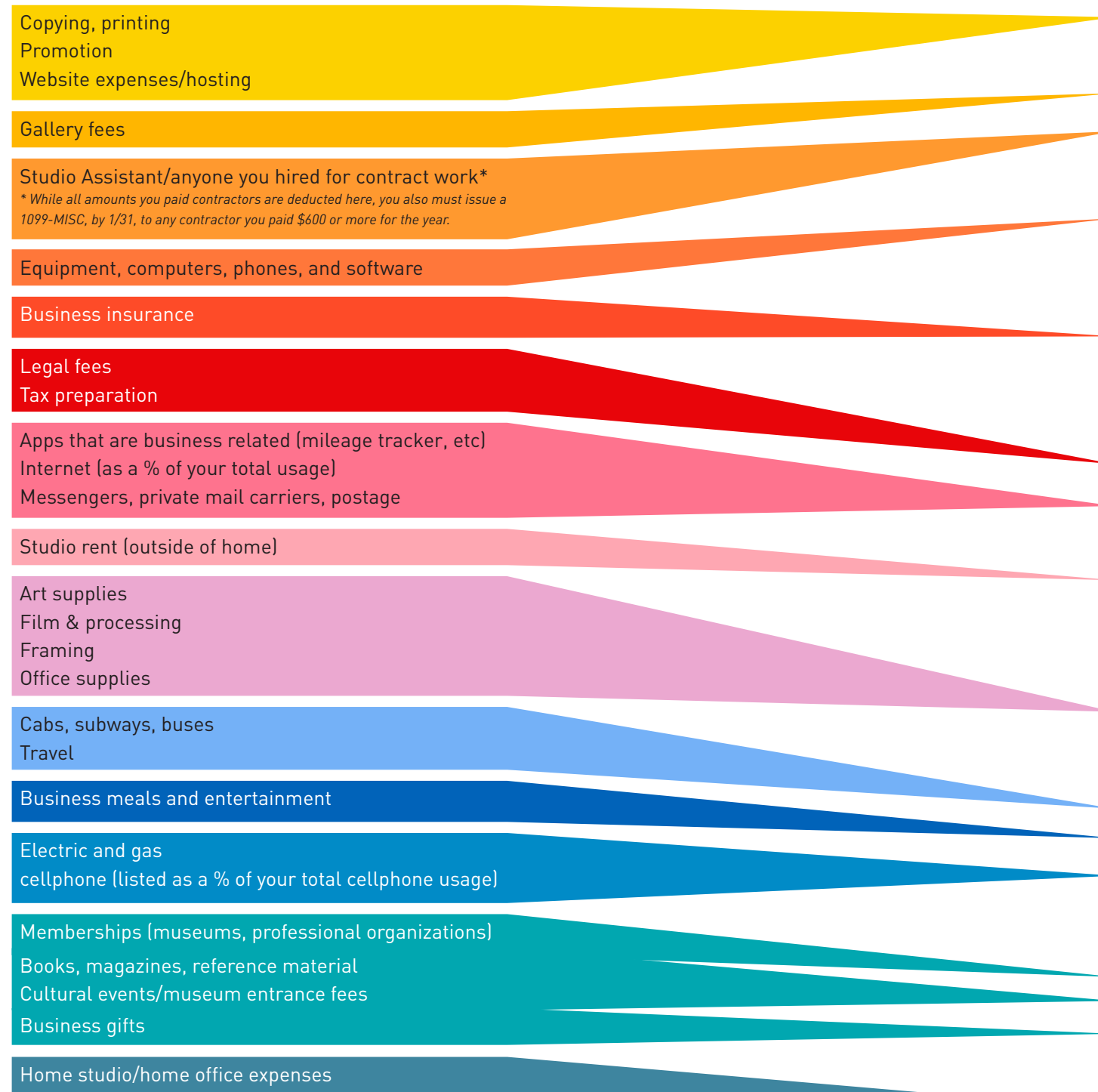


# AN ARTIST'S GUIDE TO THE SCHEDULE C

## COMMON ARTIST EXPENSES



By law, your business expenses must be "ordinary and necessary" to qualify. This means that if the industry standard is a Motel 6, and you book the Ritz-Carlton, you may deduct only the Motel 6 amount.

## SCHEDULE C CATEGORIES

- Advertising**
- Car and truck expenses**
- Commissions and fees**
- Contract labor**
- Depletion**
- Depreciation and section 179 expenses deduction (not included in Part III)**
- Employee benefit programs (other than on line 19)**
- Insurance (other than health)**
- Interest**
  - a) Mortgage (paid to banks, etc.)
  - b) other
- Legal and Professional services**
- Office Expense**
- Pension and profit-sharing plans**
- Rent or lease:**
  - a) Vehicles, machinery, equipment
  - b) other business property
- Repairs and maintenance**
- Supplies (not included in Part III)**
- Taxes and Licenses**
- Travel, meals and entertainment:**
  - a) Travel
  - b) Deductible meals and entertainment
- Utilities**
- Wages (less employment credits)**
- Other expenses (from line 48), List as:**
  - Professional development
  - Research expenses
  - Business gifts (limit to \$25 each)
- Reserved for future use**
- LINE 30 Expenses for business use of home**

## EXPLANATIONS

1) actual cost: tires, insurance, repairs, gas, etc. *OR*  
2) mileage method: 2017 rate is 53.5¢ /business mile (usually more money saved this way)

Provide date purchased, price, and description. You generally can't deduct the entire cost of equipment in one year. Depreciation means that you spread the cost out over several years. Tax software or your accountant will do the calculation for you.

**For home studio/home office:**

- indicate the date you began using your home studio for business
- total square footage of your home and the square footage of your studio space
- A portion of your home costs may be deducted as part of the home studio ratio. So you should track: mortgage/rent, insurance, utilities. Your tax software or accountant will also calculate depreciation on the studio portion of your home, if you own it.
- So a 300 ft<sup>2</sup> studio inside a 1000 ft<sup>2</sup> home is 300/1000 or 30% of your home. In this example, 30% of your rent, utilities and insurance may also be deducted.

**DISCLAIMER:** True tax advice is a two-way conversation, and your accountant needs to hear your full situation to apply the rules correctly in your case. This graphic is meant for general information only. Please don't act on this alone.