

FREE GUIDE

# 10 Tax Deductions Most Self-Employed People Miss

Keep more of what you earn.  
Most business owners overpay the IRS.  
Find out if you do too.

## WHAT'S INSIDE THIS GUIDE

- Half of self-employment tax — widely overlooked
- The QBI deduction worth up to 20% of your income
- Home office, vehicle, phone & internet write-offs
- Retirement contributions that cut your bill right now
- Health insurance, education, meals & more

# 10

DEDUCTIONS

## ABOUT THIS GUIDE

If you work for yourself — as a sole proprietor, LLC owner, S-Corp shareholder, or independent contractor — there are deductions you are legally entitled to that many people either don't know about or are afraid to take. This guide covers 10 of the most commonly missed, based on current IRS guidelines.

**Note:** Every tax situation is different. This guide is for general informational purposes only. For guidance specific to your situation, schedule a free consultation with WeShare Business Services.

### #1

## Half of Your Self-Employment Tax

When you work for yourself, you pay both the employee and employer portions of Social Security and Medicare — a combined 15.3% on net earnings. What most people miss: the IRS lets you deduct half of that amount directly from your gross income, even without itemizing. This "above-the-line" deduction reduces your adjusted gross income before anything else is calculated, and it applies automatically when you file Schedule SE.

**Track this:** *Your net profit from Schedule C. The deduction flows automatically from Schedule SE to Form 1040.*

### #2

## The Home Office Deduction

If you use a portion of your home regularly and exclusively for business, you may deduct it. The IRS offers two methods: the Simplified Method (\$5 per square foot, up to 300 sq ft = max \$1,500/year) or the Regular Method (actual home expenses multiplied by your business-use percentage). This deduction applies to renters as well as homeowners, and to apartment dwellers as well as house owners.

**Track this:** *Square footage of your dedicated work area vs. total home. For the Regular Method: rent or mortgage interest, utilities, and insurance statements.*

### #3

## Health Insurance Premiums

Self-employed individuals may deduct 100% of premiums paid for health, dental, and vision insurance for themselves, their spouse, and dependents. This is an above-the-line deduction — you do not need to itemize to claim it. One important rule: you cannot take this deduction for any month in which you were eligible for employer-sponsored coverage through a spouse's employer.

**Track this:** *Monthly premium statements or the annual summary from your insurer. Keep records for each month covered.*

## #4

## Retirement Plan Contributions

Contributing to a SEP-IRA, Solo 401(k), or SIMPLE IRA reduces your taxable income dollar for dollar. A SEP-IRA allows contributions up to 25% of net self-employment income (max \$69,000 for 2024 / \$70,000 for 2025). A widely missed strategy: you can open and fund a SEP-IRA for the prior tax year all the way until your filing deadline, including extensions. That means you can lower your tax bill even after the year has ended.

**Track this:** *Annual contribution confirmation statements from your retirement account provider.*

## #5

## The 20% Qualified Business Income (QBI) Deduction

Under IRC Section 199A, many self-employed business owners may deduct up to 20% of their qualified business income from taxable income. This applies to most sole proprietors, single-member LLCs, S-Corps, and partnerships. Income thresholds apply (\$191,950 for single filers / \$383,900 married filing jointly for 2024), and certain professional service businesses have additional rules. This is one of the largest deductions available to self-employed people — and one of the most frequently overlooked.

**Track this:** *Your total qualified business income for the year, reported on Form 8995 or 8995-A. A tax preparer handles this calculation.*

## #6

## Vehicle & Mileage

Business driving is deductible. The IRS standard mileage rate is 67 cents per mile for 2024 and 70 cents per mile for 2025. This covers client visits, supply runs, bank trips for business purposes, site visits, and similar trips. Alternatively, you can deduct actual vehicle expenses (gas, oil, repairs, insurance, registration, and depreciation) multiplied by your business-use percentage. The standard rate is simpler; actual expenses can yield a higher deduction for high-mileage business vehicles.

**Track this:** *A mileage log with date, starting point, destination, business purpose, and miles per trip. Apps like MileIQ or Everlance make this easy to maintain.*

## #7

## Phone & Internet — Your Business Percentage

If you use your cell phone and home internet connection for business, you can deduct the business-use portion of those bills. If approximately 65% of your phone use is work-related, deduct 65% of the monthly bill. Many people either forget this deduction entirely, or overclaim it by deducting 100% — which overstates the deduction and can attract scrutiny. Be honest and consistent with your estimate, and document your reasoning.

**Track this:** *Monthly phone and internet bills. Keep a note of your estimated business-use percentage and why.*

## #8

**Education & Professional Development**

Courses, books, webinars, certifications, industry conferences, and professional memberships are fully deductible when they maintain or improve skills in your current business. The IRS requirement: the education must relate to your existing work, not qualify you for an entirely new career. A tax professional taking a continuing education course? Deductible. That same person taking a medical coding course to switch careers? Not deductible.

***Track this: Receipts for courses, books, certifications, conferences, or professional memberships paid during the year.***

## #9

**Software, Apps & Business Subscriptions**

The digital tools that run your business are ordinary and necessary expenses — fully deductible. This includes accounting software, scheduling tools, video conferencing apps, cloud storage, project management platforms, CRMs, e-signature services, design tools, and more. Many business owners use dozens of subscriptions and never deduct them. Even small recurring charges add up to meaningful deductions across a full year.

***Track this: Bank and credit card statements showing business subscriptions. Categorize these monthly rather than at tax time.***

## #10

**Business Meals (50% Deductible)**

Meals with clients, prospects, employees, or business partners are 50% deductible under current IRS rules, provided there is a genuine business discussion and the expense is not lavish or extravagant. Documentation is essential: record who attended, their relationship to your business, the specific business topic discussed, and keep the receipt. Meals where only you are present are generally not deductible.

***Track this: The receipt, plus a written note documenting who attended, their business relationship, and the business topic discussed.***

# Ready to Stop Overpaying?

Schedule a free 30-minute consultation and we'll look at your situation together.  
No pressure. No obligation. Just real answers.

[Book Your Free 30-Min Consultation](#)

## CONTACT US

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