

# Tax Deductions for Business Owners: A Simple Do and Don't Checklist



New to tax deductions? Just need a refresher? Here are the basics of what you can and can't deduct as a business owner.

## DO



### Claim what you're entitled to

One of the great perks of running your own business is being able to deduct eligible expenses from your income. If an expense is legitimate and business-related, don't leave it on the table.



**Tip:** Get familiar with common tax deductions for freelancers, side hustlers and the self-employed. [Read more here.](#)



### Keep your receipts

While you don't need to submit your receipts with your tax return, you do need them if the CRA asks for support later. A credit card statement alone won't cut it – you need itemized receipts showing what you spent money on, when and where.



**Tip:** Get in the habit of storing your receipts electronically. Take photos of physical receipts and organize all your digital receipts in one place.



### Claim your home office expenses (if applicable)

If you work from home, you may be able to deduct a portion of your expenses, such as rent, utilities, mortgage interest, property taxes and maintenance, based on how much of your home you use for work.



**Tip:** If you own your home, your annual mortgage statement shows the interest paid, which you may be able to claim.



### Be reasonable

A good rule of thumb is this: If an expense would raise questions (or eyebrows), it's probably best to skip it. Deductions should clearly relate to earning business income.



**Example:** A laptop used primarily for work is reasonable. A family vacation with one quick client coffee meeting likely isn't.

## DO



### Get help if you need it

No business is too small to get tax support. An accountant or bookkeeper can help ensure accuracy and peace of mind.



**Tip:** Professional fees are themselves tax-deductible.



### Open a business bank account (if you haven't already)

A business bank account – and credit card – makes it much easier to track expenses and prepare your return.



**Tip:** Monthly business account fees are tax-deductible.

## DON'T



### Claim personal expenses as business expenses

Some costs are personal, even if they make running your business easier – think gym memberships, commuting costs or dry cleaning.



**Tip:** Separation is your friend. Dedicated business accounts can reduce grey areas.



### Throw away your receipts too soon

Keep receipts for at least six years, just in case you're asked to support a claim later.



**Tip:** A digital inventory of your receipts makes it easier to refer back to past claims if you need to.



### Skip filing your return

Even if you're unsure about something – or can't pay right away – it's still important to file. The CRA offers payment arrangements if you're stuck, and it's easier to sort things out when you're up to date.



**Tip:** Filing on time helps avoid penalties and keeps options open if you need support.

