

2026 TAX DEDUCTION CHECKLIST

50 Essential Deductions for Business & Personal Savings

The One Big Beautiful Bill Act (OBBBA) has introduced significant changes to the tax landscape for 2026. This comprehensive checklist covers 50 key deductions to help you navigate these changes and maximize your tax savings.

BUSINESS DEDUCTIONS

- **Startup Expenses:** Deduct up to \$5,000 in qualifying startup costs in your first year of business. This immediate deduction is reduced if your total startup costs exceed \$50,000.
- **Qualified Business Income (QBI) Deduction:** A powerful deduction for pass-through entities (sole proprietorships, partnerships, S-corps), allowing a deduction of up to 20% of qualified business income.
- **Cost of Goods Sold (COGS):** If your business produces or buys goods for resale, you can deduct the direct costs associated with those goods, including materials, labor, and shipping.
- **Business Travel Expenses:** Deduct ordinary and necessary expenses for business travel away from home, including airfare, hotels, and transportation.
- **Business Meals:** Generally, 50% of the cost of business meals with clients or during business travel is deductible, provided the expenses are not lavish and are properly documented.
- **Business Interest:** Deduct the interest paid on business loans, lines of credit, and credit cards used for business operations.

- **Freelancer/Independent Contractor Payments:** Payments for services from non-employees are fully deductible. For 2026, you must issue a Form 1099-NEC for payments of \$2,000 or more.
- **Advertising and Marketing:** All costs associated with promoting your business are fully deductible, including online ads, website development, and print materials.
- **Bad Debt:** You can deduct the amount of any previously reported income that you are unable to collect.
- **Depreciation:** Recover the cost of business assets over time by deducting a portion of the cost each year.
- **Repairs and Maintenance:** The costs of routine repairs and maintenance to keep your business property in good working condition are deductible.
- **Business Insurance:** Premiums for business insurance, such as liability, property, and workers' compensation, are fully deductible.
- **Legal and Professional Fees:** Fees for legal, accounting, and other professional services for your business are deductible.
- **Charitable Donations (Business):** C-corporations can deduct charitable contributions. Pass-through entities report them on the owners' personal returns.
- **Rent:** Payments for the use of property you do not own, such as office space or equipment, are deductible.
- **Salaries and Benefits:** Employee wages, salaries, bonuses, and the cost of benefits like health insurance and retirement plans are deductible.
- **Utilities:** The cost of electricity, gas, water, internet, and phone service for your business is deductible.
- **Home Office Deduction:** If you use a portion of your home exclusively and regularly for business, you can deduct a portion of your home expenses.
- **Office Supplies:** The cost of office supplies, such as paper, pens, and printer ink, is deductible.
- **Equipment and Software Leases:** Lease payments for business equipment and software are deductible business expenses.
- **Business Casualty and Theft Losses:** Losses from damage or theft of business property are deductible.

- **Vehicle Expenses:** Deduct the costs of using your car for business, either by using the standard mileage rate or by tracking actual expenses.
- **Business Use of Personal Phone:** You can deduct the business-use percentage of your personal cell phone bill.
- **Business Education and Training:** The cost of education and training for yourself or your employees to maintain or improve skills required for your business is deductible.
- **Client or Employee Gifts:** You can deduct up to \$25 per person per year for business gifts.
- **Bank Fees and Merchant Services:** Fees charged by banks and credit card processors for business accounts are deductible.
- **Licenses and Permits:** The cost of business licenses, professional certifications, and regulatory permits are deductible.

PERSONAL DEDUCTIONS

- **Standard Deduction:** For 2026, the standard deduction is \$16,100 for single filers, \$32,200 for married couples filing jointly, and \$24,150 for heads of household.
- **Senior Deduction:** A new deduction of up to \$6,000 is available for taxpayers aged 65 and older.
- **Medical and Dental Expenses:** You can deduct the amount of medical and dental expenses that exceeds 7.5% of your adjusted gross income (AGI).
- **State and Local Taxes (SALT):** You can deduct property taxes and either state and local income taxes or sales taxes, subject to a cap.
- **Mortgage Interest:** You can deduct the interest on up to \$750,000 of mortgage debt on your primary residence.
- **Private Mortgage Insurance (PMI):** Starting in 2026, PMI premiums are once again deductible as mortgage interest.
- **Charitable Contributions:** You can deduct contributions to qualified charitable organizations.
- **Student Loan Interest:** You can deduct up to \$2,500 in interest paid on student loans.
- **Educator Expenses:** Eligible educators can deduct up to \$300 of unreimbursed business expenses.
- **Health Savings Account (HSA) Contributions:** Contributions to an HSA are tax-deductible.
- **Self-Employment Tax Deduction:** You can deduct one-half of your self-employment taxes.
- **Retirement Contributions:** Contributions to a traditional IRA, SEP-IRA, or solo 401(k) may be deductible.
- **Adoption Credit:** A tax credit of up to \$17,670 is available for qualified adoption expenses.
- **Child and Dependent Care Credit:** A credit for a percentage of work-related child and dependent care expenses.
- **Earned Income Tax Credit (EITC):** A refundable tax credit for low- to moderate-income working individuals and couples.
- **American Opportunity Tax Credit:** A credit for qualified education expenses paid for an eligible student for the first four years of higher education.

- **Lifetime Learning Credit:** A credit for qualified tuition and related expenses paid for eligible students enrolled in an eligible educational institution.
- **Gambling Losses:** You can deduct gambling losses, but only up to the amount of your gambling winnings.
- **Casualty and Theft Losses (Personal):** You can deduct personal casualty and theft losses only if they are attributable to a federally declared disaster.
- **Investment Interest Expense:** You can deduct interest paid on money you borrowed to purchase taxable investments.
- **Foreign Earned Income Exclusion:** If you live and work abroad, you may be able to exclude up to \$132,900 of your foreign earned income from your U.S. income.
- **Qualified Tips Deduction:** A new deduction of up to \$25,000 for qualified cash tips is available for certain employees through 2028.