

**From the desk of
Peter S. Muffoletto, C.P.A.**

Employee Business Expenses

If you paid for work-related expenses you may be able to deduct those costs.

You can claim allowable employee business expenses if you itemize Schedule A, Itemized Deductions.

To the extent that your employee business expenses exceed two percent of your adjusted gross income you may have a deduction that reduces your taxes.

Ordinary and Necessary

You may deduct unreimbursed expenses that are ordinary and necessary to your work as an employee.

An ordinary expense is one that is common and accepted in your industry.

A necessary expense is one that is appropriate and helpful to your business.

Some costs that you may be able to deduct include:

- Required work clothes or uniforms not appropriate for everyday use.
- Supplies and tools you use on the job.
- Business use of your car.
- Business meals and entertainment.
- Business travel away from home.
- Business use of your home.
- Work-related education.
- Computer acquisition costs
- Internet access costs due to work related internet usage.
- Professional and union dues.
- Continuing education costs and seminars that are work related.

This list is not all-inclusive.

To the extent that your employer reimbursed any of your employee expenses, or had a reimbursement policy that you did not avail yourself of, those expenses are not deductible.

Educator Expenses

If you are a teacher you can deduct the cost of the books, supplies, equipment and other materials you paid for in the use in the classroom. You may also deduct the costs relating to continuing education to maintain or increase your skills.

Keep Your Records

You must retain your records and receipts to prove the expenses you deduct. The IRS requires both proof of payment, and the receipts for those items you claim as deductions. Lacking either is basis for disallowance, and with the budget deficits, the IRS is getting more aggressive about not allowing deductions for those items that cannot be documented as to their requirements.

Our emphasis at Muffoletto & Company is to provide you the proper guidance and understanding of the system so that you avoid taxes to the extent that the law allows.

Should you have questions relating to these matters, tax, financial, and accounting issues, give us a call at (818) 346-2160.

You can also visit us on the web at www.petemcpa.com!

We here at Muffoletto & Company believe that the more informed you are in regards to the rules and regulations that affect you the more we can be of service.

Should you have questions relating to any tax or financial matters, or if you know of someone that could benefit from our assistance feel free in calling us at

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Providing individuals, small businesses, corporations, partnerships, professionals, and other business entities with the necessary guidance and answers for a complex world.

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