

IRS Schedule C Expense Worksheet

The expenses on this list align with IRS Form Schedule C (Part II Expenses)

Category	Description	Total Expenses
Advertising	Any expenses to advertise or promote your business such as printing costs, business cards, brochures, mailers or flyers.	
Car & Truck Expenses	Expenses related to the use of your car, van, or truck for your business. Note, for tax year 2023, the standard rate per mile is: 65.5 cents per mile for January 1, 2023 - December 31, 2023	
Commissions & Fees	Schedule C is for all businesses. Family child care providers are unlikely to have an entry here.	
Contract Labor	This line is for contractors you may use. If you paid a contractor more than \$600 last year, you should have sent them a 1099 form indicating the amount of money you paid. Consult with a tax preparer for more information. 1099s are not used for employees, just for contractors.	
Depreciation	If you made any purchases exceeding \$2,500 for your business, you may need to depreciate the expense (not deduct it in one year, but instead deduct it over time). Consult with a tax preparer for more information.	
Employee Benefit Programs	If you have employees and you offer them benefits (e.g., health insurance or life insurance), these expenses go here.	
Insurance	If you have liability insurance, list it here. Do not list your own health insurance premiums or homeowner's insurance here. That is entered elsewhere.	
Interest	This line is for business interest such as on a <u>business</u> credit card or <u>business</u> loan. Do not enter mortgage interest here. That is entered elsewhere.	

SCHEDULE C (Form 1040) Profit or Loss From Business
 (Sole Proprietorship)
 Attach to Form 1040, 1040-SR, 1040-SS, 1040-NR, or 1041; partnerships must generally file Form 1065.
 Department of the Treasury Internal Revenue Service
 Go to www.irs.gov/ScheduleC for instructions and the latest information.

OMB No. 1545-0074
2023
 Attachment Sequence No. 00

Name of proprietor: _____ Social security number (SSN): _____
 City, town or post office, state, and ZIP code: _____
 A Principal business or profession, including product or service (see instructions): _____ B Enter code from instructions: _____
 C Business name, if no separate business name, leave blank. _____ D Employer ID number (EIN) (see instructions): _____
 E Business address (including suite or room no.): _____
 F Accounting method: (1) Cash (2) Accrual (3) Other (specify) _____
 G Did you "materially participate" in the operation of this business during 2023? If "No," see instructions for limit on losses Yes No
 H If you started or acquired this business during 2023, check here _____
 I Did you make any payments in 2023 that would require you to file Form(s) 1099? See instructions Yes No
 J "Yes," did you or will you file required Form(s) 1099? Yes No

Part I Income

1	Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked.	1
2	Returns and allowances	2
3	Subtract line 2 from line 1	3
4	Cost of goods sold (from line 42)	4
5	Gross profit. Subtract line 4 from line 3	5
6	Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6
7	Gross income. Add lines 5 and 6	7

Part II Expenses. Enter expenses for business use of your home only on line 30.

8	Advertising	8
9	Car and truck expenses (see instructions)	9
10	Commissions and fees	10
11	Contract labor (see instructions)	11
12	Depletion	12
13	Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13
14	Employee benefit programs (other than on line 19)	14
15	Insurance (other than health)	15
16	Interest (see instructions):	
	a Mortgage (paid to banks, etc.)	16a
	b Other	16b
17	Legal and professional services	17
18	Office expense (see instructions)	18
19	Pension and profit-sharing plans	19
20	Rent or lease (see instructions):	
	a Vehicles, machinery, and equipment	20a
	b Other business property	20b
21	Repairs and maintenance	21
22	Supplies (not included in Part III)	22
23	Taxes and licenses	23
24	Travel and meals:	
	a Travel	24a
	b Deductible meals (see instructions)	24b
25	Utilities	25
26	Wages (less employment credits)	26
27a	Other expenses (from line 48)	27a
27b	Energy efficient commercial bldgs deduction (attach Form 7205)	27b
28	Total expenses before expenses for business use of home. Add lines 8 through 27b	28
29	Tentative profit or (loss). Subtract line 28 from line 7	29
30	Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method. See instructions. Simplified method filers only: Enter the total square footage of (a) your home: _____ and (b) the part of your home used for business: _____ Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30	30
31	Net profit or (loss). Subtract line 30 from line 29. • If a profit, enter on both Schedule 1 (Form 1040), line 3, and on Schedule SE, line 2. If you checked the box on line 1, see the line 31 instructions.) Estates and trusts, enter on Form 1041, line 3. • If a loss, you must go to line 32.	31
32	If you have a loss, check the box that describes your investment in this activity. See instructions. • If you checked 32a, enter the loss on both Schedule 1 (Form 1040), line 3, and on Schedule SE, line 2. If you checked the box on line 1, see the line 31 instructions.) Estates and trusts, enter on Form 1041, line 3. • If you checked 32b, you must attach Form 6198. Your loss may be limited.	
32a	All investment is at risk	<input type="checkbox"/>
32b	Some investment is not at risk	<input type="checkbox"/>

For Paperwork Reduction Act Notice, see the separate instructions. Cat. No. 11334P Schedule C (Form 1040) 2023

A Closer Look at Schedule C, Part II Expenses

Part II Expenses. Enter expenses for business use of your home only on line 30.

8	Advertising	8
9	Car and truck expenses (see instructions)	9
10	Commissions and fees	10
11	Contract labor (see instructions)	11
12	Depletion	12
13	Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13
14	Employee benefit programs (other than on line 19)	14
15	Insurance (other than health)	15
16	Interest (see instructions):	
	a Mortgage (paid to banks, etc.)	16a
	b Other	16b
17	Legal and professional services	17

Legal & Professional Fees	These are fees paid to a lawyer or a professional tax preparer. They also include fees to a professional association (e.g., your state child care association, the National Association for Family Child Care (NAFCC), the National Association for the Education of Young Children (NAEYC) or similar professional group.	
Office Expenses	These expenses are for items used in your business such as paper, pens, a computer, a printer, toner, tape, notebooks, file folders, extension cords, software to help you manage your business, phones, furniture, etc. In general, these are items that help support you running your business.	
Pension & Profit Sharing Plans	Most family child care homes do not offer pension or profit sharing plans. If you have employees, and you offer such plans, expenses are listed here.	
Rent or Lease	This is not about rent payments for your home. This rent or lease category is related to equipment you may rent or lease for your business. For example, maybe you rented an inflatable bounce house for your backyard for the summer for the children to enjoy.	
Repairs & Maintenance	The line is for any repairs or maintenance you paid for to help support your business. For example, if you need to pay someone to help set up your computer or help troubleshoot a computer problem. Or, maybe you paid a plumber to fix a toilet in the bathroom that the children use.	
Supplies	These are expenses related to the supplies you need for the children. For example, crayons, paint, markers, play-doh, toys, books, diapers, wipes, paper plates, toilet paper, cleaning supplies, bookcases, etc. Food costs for children in your program could be listed here or in "other expenses".	

A Closer Look, Part II Schedule C Expenses

18	Office expense (see instructions)	18	
19	Pension and profit-sharing plans	19	
20	Rent or lease (see instructions):		
a	Vehicles, machinery, and equipment	20a	
b	Other business property	20b	
21	Repairs and maintenance	21	
22	Supplies (not included in Part III)	22	
23	Taxes and licenses	23	
24	Travel and meals:		
a	Travel	24a	
b	Deductible meals (see instructions)	24b	
25	Utilities	25	
26	Wages (less employment credits)	26	
27a	Other expenses (from line 48)	27a	
b	Energy efficient commercial bldgs deduction (attach Form 7205)	27b	

Taxes & Licenses	This line is for any special occupational taxes you might have to pay or licenses. For example, there may be a registration fee for operating a child care program in the state or a local fee in your town or county. There could be a business & professional tax locally based on your income. Not all localities have this, but some do as a way of generating local revenue. For example, a locality could tax your gross receipts at a small % or have an annual fee.	
Travel & Meals	This line is for costs associated with attending a conference or business meeting.	
Utilities	Do not answer this line on Schedule C. Utilities are included on Form 8829- because they are shared expenses (part personal and part business). Schedule C expenses capture 100% business expenses, not shared expenses.	
Wages	If you have employees, this is where you enter wage expenses. These people would receive a W-2 from you, not a 1099. If you are unclear, ask your tax preparer. You do not enter your own wages here, even if you pay yourself out of your business. Your income is listed in Part I of the Schedule C	
Other Expenses	Other expenses includes anything else that you didn't list under Office Expenses or Supplies that is 100% a business expense. In general, these are likely expenses exceeding \$200. You can also list credit card processing fees here if you have such expenses.	
Total		