

2026 Tax Year

TAX DEDUCTION CHEAT SHEET


For Small Business Owners & Solopreneurs

Stop overpaying on taxes. The average small business owner misses **\$3,200–\$7,500** in deductions every year. Use this cheat sheet to find every dollar you're legally allowed to deduct—and keep more of what you earn.

— Ahad Ali, CPA | Founder of Tabby

THE BIG DEDUCTIONS (Start Here)

Deduction	Amount	Key Rules
Home Office	Simplified: \$5/sq ft (max \$1,500) OR Actual: % of rent, utilities, insurance	Must be used exclusively and regularly for business
Vehicle Mileage	70¢ per business mile (2026 rate)	Log every trip: date, destination, purpose, mile
Health Insurance (Self-Employed)	100% of premiums	Deduct on Form 1040 (above-the-line)
Retirement (SEP-IRA/Solo 401k)	Up to \$69,000 (2026)	Reduces taxable income + grows tax-free

 **TIP:** These 4 deductions alone can save you **\$5,000–\$15,000/year**. Don't skip them.

✓ **EASY WINS (100%)**

- ✓ Software & subscriptions (Tabby, Adobe, Zoom, Slack, etc.)
- ✓ Business insurance (liability, E&O, property)
- ✓ Advertising & marketing (Google Ads, Facebook Ads, website)
- ✓ Phone & internet (business-use percentage)
- ✓ Education & training (courses, conferences, certifications)
- ✓ Bank fees & merchant processing (Stripe, PayPal, Square)
- ✓ Professional services (CPA, bookkeeper, lawyer, consultant)
- ✓ Office supplies (pens, paper, printer ink, folders)
- ✓ Business meals with clients (50% deductible—keep receipts!)
- ✓ Business travel (airfare, hotels, rental cars)

🔍 **COMMONLY MISSED DEDUCTIONS**

- ☆ Business license & permit fees
- ☆ Credit card annual fees (business cards)
- ☆ Trade publications & industry memberships
- ☆ Equipment purchases (Section 179: deduct full cost in year 1)
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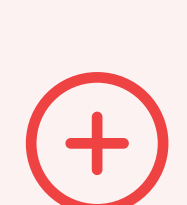
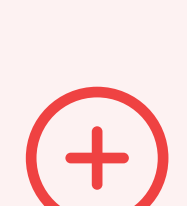
💡 **TIP:** Section 179 lets you deduct up to **\$1.16M** in equipment purchases immediately (2026 limit).

Tired of tracking expenses manually?

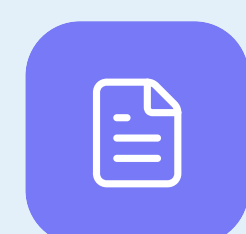
Tabby automatically categorizes your transactions and finds every deduction for you. Connect your bank accounts and let AI do the work.

Try Tabby free for 14 days: www.usetabby.com

IRS RED FLAGS (Avoid These)

-  Claiming 100% business use of vehicle (be realistic)
-  Excessive meals/entertainment compared to income
-  Round numbers on everything (looks made up)
-  Losses year after year (IRS calls this a 'hobby')
-  Not reporting all 1099 income (IRS gets copies!)
-  Mixing personal and business expenses

RECORD-KEEPING ESSENTIALS



What to keep

Receipts, bank statements, invoices, contracts, mileage logs



How long

7 years (IRS can audit 3 years back, 6 for major errors)



How to organize

Digital is fine! Use bookkeeping software like Tabby to store everything.

Tip	Details
Document receipts immediately	Write business purpose on back of receipt before you forget
Separate business & personal	Get a business bank account and credit card. Never mix.
Track mileage religiously	Use an app or spreadsheet. Every mile = 70¢ deduction.
Save everything digital	Email receipts, PDFs, screenshots. Cloud storage is your friend.

YOUR 3-STEP ACTION PLAN

1 Review this year's expenses

Go through your bank and credit card statements. Highlight every business expense. Use this cheat sheet to categorize them properly.

1 Start tracking NOW

Don't wait until tax season. Set up a system TODAY to capture receipts, log mileage, and categorize expenses as they happen. (Tabby does this automatically —connect your accounts and let AI handle it.)

1 Talk to a CPA before you file

A tax professional will review your deductions, catch things you missed, and make sure you're 100% compliant. Worth every penny.

Stop Doing This Manually. Let Tabby Handle It.

No more spreadsheets. No more shoebox of receipts. No more stress.

Tabby is AI-powered bookkeeping that automatically

- ✓ Connects to your bank accounts and categorizes every transaction
- ✓ Finds hidden deductions you didn't know you could claim
- ✓ Tracks mileage (if you enable location services)
- ✓ Generates tax-ready reports in seconds
- ✓ Alerts you to potential issues before tax season

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Question?

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