

## Our Guide To Sole Trader Expenses

*A summary of what you can claim as a tax-deductible expense when self-employed*

Be mindful that HMRC rules can be complex and are often based on concepts such as the 'fairness' and 'reasonableness' of expenses claimed. When in doubt, always contact an accountant for advice.

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- Costs of services or goods directly attributable to your sales, such as materials, packaging and disbursements to customers
- Subcontractor and staff wages, but not your own (as these come from any resulting profit)
- Accommodation whilst travelling for business purposes
- Accounting fees for your sole trader accounts and other legal fees
- Business mileage when using a personal vehicle (45p per mile up to 10k miles a year and then 25p per mile thereafter)
- Fuel, motor insurance and repairs/servicing for commercial vehicles such as vans
- Charitable donations, although these go in a separate section of your personal tax return and are not in the self-employed calculations
- Eye tests, and glasses for VDU use only (only if used exclusively for business)



- Equipment and assets such as computers, office furniture, machinery and moveable improvements (such as a garden office that can be taken with you if you move)



- Business phone call costs, but not line rental as this isn't exclusively for business use unless a separate contract is in place for business

- General office & running expenses such as computer costs, business insurance, stationery, postage, workspace rental costs and more



- Marketing, networking and website costs

- Subscriptions for HMRC-approved professional bodies

- Training costs for enhancing and updating your current knowledge, but not for retraining for skills in a new sector for a new role



- Business travel (that isn't a regular commute) including toll charges, train fares and car parks, apart from parking fines (which would be classed as personal)

- Subsistence on overnight business trips and where necessary as part of a business meeting (for example, you are unable to provide your own drinks at a networking event where you have gone to promote your business)



- Bank charges and interest on loans relating to the business

- Use of home as office using HMRC's simplified expense rates or calculating costs based on the proportion of your home you use for business and for how many hours/days per month

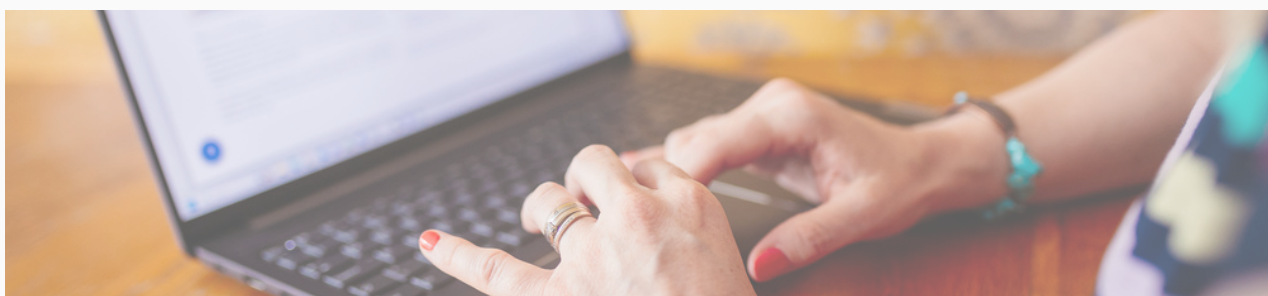
There are however costs that you are not able to claim, due to the dual purpose they have as personal expenses:

- Home broadband costs (unless a separate line has specifically been installed for work use only)
- Medical and health insurance costs
- Pensions contributed to, although you may be able to claim personal relief if you are a higher rate taxpayer
- Building works to change your home (recommended not to include ) as there is a risk of creating a capital gain when you sell your home as part of it would be classed as belonging to the business and it would be difficult to separate the two

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You can prepare and submit your own tax return, or you can task us to do it for you stress-free.

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