

NON-DEDUCTIBLE EXPENSES

**Must *not* be included in
Profit and Loss Calculations**

These NON-DEDUCTIBLE EXPENSES all go on to a Balance Sheet

Purchase of Assets:

(High-Cost Equipment)

Vehicle
Computer
Machinery
Office Furniture

Business Loan:

(Repayments)

The principal portion
of a business loan is not
deductible, but the
interest portion is
deductible.

Personal Expenses:

(seems obvious but let's see!)

Student loan repayments
Reading glasses
Life insurance
Speeding tickets

Inventory:

(Stock Purchases)

Stock is an Asset.
Only the purchase
price of sold stock is
deductible.

Tax Payments:

Income tax
Payroll tax
Sales tax
Withholding tax

Improvements:

(to Assets)

Examples:
Repainting a vehicle
Replacing office carpet
Changing motor in
a pump

Entertainment:

Taking a client to a
business meal – half the
cost *may not* be
deductible.

Check your country's rules.