

Business Expense Deductibles

Sole traders and businesses can deduct expenses that are wholly and exclusively incurred for the purposes of running the business, which reduces the net profit of the business and ultimately reduces the amount of tax that is payable.

CloudAccounts has put together the following list of expenses that are and aren't allowable to help you understand which expenses are deemed tax deductible by Revenue. If you have any further queries, please contact us directly.

Please note:

Receipts/invoices must be kept for all expenses that are claimed.

This list is not exhaustive and is subject to change.

Revenue can request receipts for up to 6 years after a tax return has been filed.

Tax Deductible ✓	Not Allowable ✗
Consultancy and Professional Fees - includes legal and accountancy (Yes, CloudAccounts fees are tax deductible for your business)	Food - Revenue deems food to be a basic need and therefore a living expense, not a business expense
Advertising expenses - includes website costs	Client entertainment
Motor expenses - a portion of your vehicle running costs including fuel, repairs, service, NCT, insurance and motor tax (provided you use the vehicle for business purposes)	Personal mileage - any
Commuting expenses - for travel from your place of work to a venue where work is being carried out temporarily	Commuting expenses - bus/train fares from home to your normal place of work
Business related travel, eg. flights/hotels etc	Personal expenses, eg. holidays, shopping, etc.
Rent - allowable if an office or workspace is rented	Accommodation - similar to food, shelter is a basic need
Light and heat - fully deductible if this is an office expense. If you work from home a portion of the cost is allowable	Personal use of light and heat
Phone / Broadband - a portion can be claimed if used for both business and personal use	Personal use of mobile phone / broadband
Interest on money borrowed to finance the business.	Capital repayments on borrowed funds
Wages and Salaries - cost of employing staff	Wages or Drawings to yourself
Insurance costs	Clothing, unless it is protective clothing