



# HOW TO WRITE OFF PRACTICALLY ANYTHING

## THESE ARE SOME PRIMARY MINDSETS

### MINDSET 1

These individuals aim to claim deductions for virtually everything, regardless of its legality, believing that the consequences of an IRS audit won't be too severe. Alternatively, they may think they're unlikely to ever be detected. They consider themselves hidden from scrutiny, which is a more prevalent mindset than you might imagine.

### MINDSET 2

These folks don't want to some individuals attempt to deduct absolutely anything they can. In fact, I've encountered people who express a desire to intentionally overpay their taxes. For instance, if they owe \$10,000 in taxes, they'll willingly write a check for \$11,000, thinking it will deter IRS scrutiny.

However, it's important to note that the IRS doesn't accept bribes, rendering this strategy ineffective.

### MINDSET 3

These are the individuals who seek to reduce their tax liability, but they do so prudently. They still aim to rest easy at night.



# THERE ARE A FEW PRIMARY STRATEGIES FOR WRITING OFF ALMOST ANYTHING

## #1: RUN A BUSINESS

So, what makes you a bona fide business and not just pursuing your hobby on the side? The IRS examines 9 factors to determine if you have a business, which breaks down into 4 categories.

Are you running your business in an entrepreneurial manner?

Are you putting in enough time to reasonably expect success in your business?

Do you have past success in a business like this?

Or, if not, do you have a mentor or advisor who does have past success?

And finally, the big one, do you have a true profit motive for your business?

You might be losing money now, but do you have a plan that will get you to the cash? This first step is the hardest. It trips all kinds of people up. BUT, in the end, I'll give you an example of how it may not be as hard as you think...



## #2: THE EXPENSE MUST BE ORDINARY & NECESSARY

The expense must be “ordinary and necessary to the production of income”. But that’s about all the guidance you get! That’s why so many people are stuck in this stage - they’re not sure what is deductible or how it works.

If you can prove that this expense is necessary to run your business, you’ve covered #2. I’m going to go over the next two steps and then, again, an illustration for how you can write off almost anything (provided you follow the steps, of course).

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## #3: GOOD RECORD KEEPING

Your smartphone is your best friend. When you’re out, take a picture of receipts with it to avoid losing them and can keep track of what’s been paid for easily. If there was a payment made in cash, check, or credit card then they’ll be easy enough to find on those records.



## **#4: MAKE SURE YOU PROPERLY ACCOUNT FOR ALL EXPENSES ON YOUR TAX RETURN.**

There are three steps to a successful tax strategy.

### **STRATEGY + EXECUTION + REPORTING**

The tax return is the final part of a strategy. That's where we come in, of course.



## **THERE ARE A FEW PRIMARY STRATEGIES FOR WRITING OFF ALMOST ANYTHING**

### **NOW LET'S PAINT THE PICTURE...**

Let's say you're a fitness enthusiast, and you're passionate about staying in shape. You wish you could find a way to deduct some of your fitness-related expenses. Well, here's a plan that could help you achieve just that. (And for those of you with different interests, consider how this example can be adapted to your own passions and deductions.)

You're knowledgeable about social media platforms like Instagram and YouTube, and you've been thinking about starting a fitness blog and YouTube channel. Perfect! You set up a fitness blog and create a YouTube channel to share your workout routines, nutrition tips, and personal fitness journey.

Next, you establish affiliate marketing partnerships with fitness equipment suppliers, supplement companies, and sportswear brands. On your blog and channel, you review various fitness products, share your fitness routines, discuss healthy meal plans, and provide insights into your fitness journey—covering topics like effectiveness, pricing, proper usage, and any downsides to be aware of.

Now, you have a fitness-focused business. You start earning commissions as people purchase products through your affiliate links. To provide valuable content to your audience, you must engage in regular workouts, use the fitness equipment, try the supplements, and maintain a healthy lifestyle.

Is that all it takes? No, you must also adhere to the four essential steps outlined above for tax deductions.