

<input type="text"/>	<input type="button" value="Go!"/>
----------------------	------------------------------------

- [Home](#)
 - [Books](#)
 - [Bio](#)
 - [Events](#)
 - [Media](#)
 - [Contact](#)
-

Freelance tax FAQ

October 27th, 2006

A lot of people ask how we self-employed types pay our taxes. Just last week a coworker of my sister — at the [Teamsters!](#) — asked me a slew of IRS-related questions. For your viewing pleasure, I'm posting our little Q&A here.

Know that I'm not an accountant (nor do I play one on TV), so I strongly encourage you to talk to an accredited tax preparer about any self-employment tax questions, preferably someone who knows the tax laws in your city and state inside and out. Even [H&R Block](#) will do the trick. Additional resources: the [IRS website](#), [Nolo](#), [FreelancersUnion](#), and [SCORE](#).

Q. I work from home as a freelancer. Can I deduct a portion of my rent?

A. Yes. There's a cap on what percentage you can deduct, which you should look up (or ask your tax pro about). There are also IRS rules about having an office with a door that shuts or some such (see why you need the tax pro?). I've deducted anywhere from 25 to 30 percent of my home and utilities for the past decade or so. Oh, and in case you're wondering, I work in a spare bedroom, with shutable door. And my accountant keeps me in line with the fed tax laws, some of which change every couple of years.

Q. Can I deduct my computer and printer?

A. Yes, but there's again some wiggy law I'm not entirely versed in without further research that says you should (or perhaps it's "can") deduct your office machines as a depreciating expense for several years in a row. If you bought the computer/printer ensemble *before* going freelance, I suspect you can't deduct the purchase price, but again, the [IRS website](#), which is suprisingly easy to navigate, or an accountant can tell you more. You *can* deduct printer paper, cartridges, new computer peripherals, and repairs though if you're using your computer for your freelance work.

Q. Can I deduct my Internet service if I use it for work?

A. Hell yeah.

Q. Do reimbursements for expenses incurred on my client projects count as taxable income?

A. No, you won't be taxed on payments your clients make to refund you for project expenses (long-distance phone calls, FedEx shipments, and the like). This is probably obvious, but you also can't "write

off” the expenses you’re reimbursed for. That’s what’s known as cheating.

Q. Is 30 percent of my income a fair estimate of what I can expect to pay in taxes?

A. That totally depends on how much money you make. If you’re raking in six figures, you may be more along the lines of 40 percent (though I’m guessing without a calculator here — not that I’d know what to do if I had one in hand). But if you’re a middle class drone like me, 30 percent sounds about right, possibly a little more or less. Also, your expenses (tax write-offs) drive this percentage up and down each year, as does any other non-freelance income you make. If I were you, I would want to show all my records to an accountant or tax preparer to make sure I’m barking up the right tree. Without having any idea what your income or work situation is, and without being fabulous with numbers myself, I can’t give you a hard-and-fast percentage to ship off to Uncle Sam each year.

Q. Do you think there is anything else I should know about paying taxes as a freelancer?

A. There is a lot more to know. For starters, if your freelance clients aren’t taking taxes out of your checks, you need to pay quarterly taxes to the IRS. You can find the appropriate forms on the [IRS website](#), or any tax preparer can give you them. In January, these clients will send you a 1099 form (that is, if they’ve paid you more than \$600 in freelance income during the previous calendar year). You use the dollar amounts from these magic forms when assembling your annual tax return; your accountant should ask to see these forms.

You may also need a business license depending on your city and state requirements. In Seattle, where I live, a city business license costs \$90 annually for a freelance writer and requires me to file a city income tax return (though at my income level, what I owe each year is nominal); in my state, a one-time business license for a freelance writer is \$15. My state business taxes are also pretty nominal. They really just want the form to see what you’re up to. Know that business license fees will vary from profession to profession; the minute you start bulldozing property (as a building contractor) or collecting sales tax (as a product manufacturer), everything changes.

That’s all for today, class. Later this week (or season) we’ll talk more about business licenses and retirement funds for freelancers. Fun, fun!

Entry Filed under: [Ask the Cubicle Expat](#), [This freelance life](#)

32 Comments [Add your own](#)

- 1. [The Anti 9-to-5 Guide &hellip](#) | January 15th, 2007 at 5:30 am

[...] According to IRS Form 1040-ES, which is glaring at me from the pile of papers on my desk, the fourth quarter of my 2006 tax payments is due on Tuesday, January 16. If you don’t know about quarterly tax payments for freelancers and sole proprietors, this IRS page will get you up to speed. As will this one. And this page from my archives may also shed some light on the situation. [...]

- 2. [Will Write For Chocolate &hellip](#) | March 21st, 2007 at 5:32 am

[...] Freelance Tax FAQ from “Anti 9 to 6 Guide: Practical career advice for women who think outside the cube.” Post is dated Oct. 27, 2006 and answers questions like “I work from home as a freelancer. Can I deduct a portion of my rent?” “Can I deduct my computer and printer?” “Can I deduct my Internet service if I use it for work?” “Do reimbursements for expenses incurred on my

client projects count as taxable income?” “Is 30 percent of my income a fair estimate of what I can expect to pay in taxes?” “Do you think there is anything else I should know about paying taxes as a freelancer?” [...]

- 3. [The Anti 9-to-5 Guide &hellip](#) | March 25th, 2007 at 9:27 am

[...] For some fantastic freelance tax FAQs, check out these tips and resources compiled by Debbie Ridpath Ohi of Will Write for Chocolate. (Full disclosure: Debbie includes this page from my blog.) [...]

- 4. [The Anti 9-to-5 Guide &hellip](#) | August 16th, 2007 at 7:45 am

[...] Freelance tax FAQ [...]

- 5. [Money Links for Freelance&hellip](#) | September 11th, 2007 at 7:51 am

[...] Freelance tax FAQ — A nice little Q&A on taxes. Not anyone’s favorite subject, but something you have to deal with. [...]

- 6. [David Talbot](#) | January 18th, 2008 at 7:26 pm

Good material especially given the time of year we’re in now. I’ve always found it a good idea to pay your estimated taxes using form 1040ES when you get paid on every job instead of waiting until the end of the quarter. It’s a little known secret that you don’t have to wait until the end of the quarter to pay these estimated taxes. The IRS will collect your money whenever you decide to send it in! Doing it this way ensures that you won’t fall behind at the end of the quarter/year and find yourself in hot water with the IRS. Interest and penalties add up fast when you can’t pay your taxes.

- 7. [Michelle Goodman](#) | January 18th, 2008 at 8:40 pm

david, seems like a lot of extra admin work for the person who gets several checks per month. also, i’d rather try to earn a little interest on that money for three months instead of shipping off to the IRS right away. if you’re a freelancer who’s diligent about saving your quarterly tax cash, penalties shouldn’t be an issue.

- 8. [The Anti 9-to-5 Guide &hellip](#) | January 24th, 2008 at 4:51 am

[...] Freelance tax FAQ, in which I answer some of the most common federal tax questions (U.S.) that newbie freelancers ask me (inarguably the most popular post on this blog — go figure!) [...]

- 9. [Bootstrapper » 50 T&hellip](#) | February 29th, 2008 at 8:10 am

[...] Freelance Tax FAQ: The Anti 9-to-5 Guide discusses deductions and more in this simple question-and-answer session. [...]

- 10. [Tom’s MAD Blog &raq&hellip](#) | April 14th, 2008 at 11:04 pm

[...] Some Freelance Tax FAQ [...]

- 11. [Quiet Rebel Writer »&hellip](#) | April 15th, 2008 at 10:12 am

[...] For the most part, freelancing is glorious. The annoyances and problems that do inherently occur

are outweighed with the kickassness of the career. Taxes? Sure, they blow as a free agent. Feast and famine? Sure, it's painful when you're this close to reinstituting the ramen diet from college. But I can deal. [...]

- **12.** [The TaxWoman Cometh &hellip](#) | February 6th, 2009 at 7:47 am

[...] Freelance Tax FAQ: The Anti 9-to-5 Guide discusses deductions and more in this simple question-and-answer session. [...]

- **13.** [WebWorkerDaily » Ar&hellip](#) | February 26th, 2009 at 10:07 am

[...] isn't wired for numbers, but if you want to go it alone, the Anti 9-to-5 Guide has a handy Freelancer Tax FAQ that should start you off on the right [...]

- **14.** [100 Essential Web Resourc&hellip](#) | February 27th, 2009 at 10:38 pm

[...] Freelance Tax FAQ: Go through this question-and-answer session from The Anti 9-to-5 Guide to find out what you need to know about deductions and other important tax items. [...]

- **15.** [Does anyone know the best&hellip](#) | August 28th, 2009 at 3:40 pm

[...] Freelance tax FAQ – A lot of people ask how we self-employed types pay our taxes. Just last week a coworker of my sister — at the Teamsters! — asked me a slew of IRS-related questions. For your viewing pleasure, I'm posting our little Q&A here. ... [...]

- **16.** [101 Money Rules You Won&#&hellip](#) | December 21st, 2009 at 8:42 pm

[...] Know the freelance tax rules: You can take more deductions, but you also have to pay a self-employment tax. [...]

- **17.** [26 Blog Posts and Article&hellip](#) | January 4th, 2010 at 6:11 am

[...] Freelance Tax FAQs at The Anti 9 to 5 Guide – This post is from 2006 but it's still very helpful. [...]

- **18.** Paul C | May 19th, 2010 at 9:14 am

Very informative. I can't seem to find an answer to this question, and it may sound silly but I'm relatively new to freelance work. I am Canadian, and will be doing all of my work from my home in Canada. Is it legal for me to do freelance work from the United States, or any other country? And do I only worry about income taxes in my own country? Thanks to anyone who can help with this.

Paul

- **19.** [Arnold](#) | January 30th, 2011 at 9:07 am

Great post! This will be my first year doing freelance tax so your advice is greatly appreciated. Thanks again for writing.
Arnold

- **20.** [Accounting Degree Online &hellip](#) | February 8th, 2011 at 3:28 am

[...] duties and the best way to ensure you have enough money set aside for paying taxes off in full. 6. Anti-9 to 5 Guide – Freelance Tax FAQs If formal tax sites confuse you, check out this blog posts which anyone can understand. It breaks [...]

- **21.** [Taxes for Freelancers: Fi&hellip](#) | April 13th, 2011 at 1:45 pm

[...] The Anti Nine to Five Guide [...]

- **22.** [Volpe Enterprises Guy](#) | June 7th, 2011 at 6:31 pm

Seems to me that you deduct anything that is legitimately used in performing your freelance duties. This would include computer, printer, paper and supplies, travel related to your service, a portion of your home that is dedicated to use for your freelance business (home office) and anything else that is a true business expense.

- **23.** [The Independent Journalis&hellip](#) | June 26th, 2011 at 9:14 am

[...] Or for a broad overview of tax tips, try this helpful link or this FAQ. [...]

- **24.** [Self-Employment 101 – U&hellip](#) | August 31st, 2011 at 4:51 pm

[...] The Anti 9-to-5 Guide » Freelance tax FAQ – Freelance tax FAQ. October 27th, 2006. A lot of people ask how we self-employed types pay our taxes. Just last week a coworker of my sister — at the Teamsters! — asked me a slew of IRS-related questions. For your viewing pleasure, I'm ... [...]

- **25.** [Saving for your Future, D&hellip](#) | September 13th, 2011 at 9:01 pm

[...] accountant who specializes in freelancing taxes, but if this is not a possibility, check out this freelance tax FAQ on the Anti 9-to-5 [...]

- **26.** [Are You Financially Ready&hellip](#) | October 5th, 2011 at 8:39 am

[...] was yours? Yeah—the government wants a good chunk of it back. Check out Anti 9-to-5 Guide's freelance tax FAQ for helpful links and resources, and meet with a tax advisor at least once to get customized [...]

- **27.** [dennis](#) | November 7th, 2011 at 12:30 am

Great post! I learnt a lot from the freelance tax advice. Thanks for the post!

- **28.** Jamie | November 10th, 2011 at 8:02 am

Q: I have hired a freelance graphic designer to do some work for my company. They are charging me 8.75 tax on their billable hours. Is that legal?

- **29.** Suzanne | January 20th, 2012 at 7:21 am

I have a tax question but the links on this site don't seem to be working anymore. My question is that I am a freelancer as of this year, 2012, and work for various people and organizations from home. What tax forms/if any do I need to file with the organizations (such as 1099)? I hope you can help as I don't seem to be able to get an answer any where.

- **30.** [Freelance Tax status R&hellip](#) | April 14th, 2012 at 5:29 pm

[...] Tips for Freelancers: Getting Organized Taxes for Freelancers, Artists, Writers and Psychotherapists The Anti 9-to-5 Guide » Freelance tax FAQ Writing.org – Taxes for Freelancers Freelancer – Tips on Finances – How to Manage [...]

- **31.** [Freelance Tax writer R&hellip](#) | April 15th, 2012 at 9:15 am

[...] Freelancers, Artists, Writers and Psychotherapists Freelance Writing: Tax Tips for Freelance Writers The Anti 9-to-5 Guide » Freelance tax FAQ What Every Freelance Writer Needs To Know About Taxes [...]

- **32.** [The Short Guide to Pricing R&hellip](#) | July 18th, 2012 at 6:05 am

[...] Goodman, author of My So-Called Freelance Life, explains, you can expect to hand over up to 40% of your income to the IRS as a freelancer every year. If you're not sure how taxes differ as a freelancer, check out [...]

Leave a Comment

Name *Required*

Email *Required, hidden*

Url

Comment

Some HTML allowed:

 <abbr title=""> <acronym title=""> <blockquote cite=""> <cite> <code> <del
datetime=""> <i> <q cite=""> <strike>

[Trackback this post](#) | [Subscribe to the comments via RSS Feed](#)

Who I am



Hi, my name's Michelle Goodman and I've been freelancing since 1992. I'm author of [*My So-Called Freelance Life*](#) and [*The Anti 9-to-5 Guide*](#). Read my full bio [here](#).

Books I've written

- [*My So-Called Freelance Life*](#)
- [*The Anti 9-to-5 Guide*](#)

My other blog

- [Nine to Thrive: A guide to work-life balance](#)

Popular articles

- [Crowdsourcing: Opportunity or Time Suck?](#)
- [Freelancing? Think Like a Business Owner](#)
- [How Much Pro Bono Work Is Too Much?](#)
- [The Accidental Freelancer's Survival Kit](#)
- [When to Work for Nothing](#)

My Twitter handle

[@anti9to5guide](#)

Posts by category

- [Anti 9-to-5 media blitz](#)
- [Anti 9-to-5 profiles](#)
- [Ask the Cubicle Expat](#)
- [Balance](#)
- [Book](#)
- [Branding](#)
- [Client relations](#)
- [Coffee break](#)
- [Creative process](#)
- [Events](#)
- [Gift guide](#)
- [Glass ceiling](#)

- [Grad school](#)
- [Hitting the road](#)
- [Money honey](#)
- [Overworked and underpaid](#)
- [Popular articles](#)
- [Portfolios](#)
- [Q&As](#)
- [She's the boss](#)
- [Social media](#)
- [The singles table](#)
- [This freelance life](#)
- [Toolbox](#)
- [Working moms](#)



Copyright 2006-2010 Michelle Goodman. All rights reserved.

Header art by [Kate Basart](#). [Blix Theme](#) by Sebastian Schmieg.

Theme customization by [CMD+Shift Design](#). Powered by [WordPress](#). [Log in](#)
[My So-Called Freelance Life](#) and [The Anti 9-to-5 Guide](#) published by [Seal Press](#), an imprint of [Perseus Books](#).

[Bad Behavior](#) has blocked **850** access attempts in the last 7 days.

