



Says

What have we heard them say?
What can we imagine them saying?



Thinks

What are their wants, needs, hopes, and dreams?
What other thoughts might influence their behavior?

Some expense categories are tax-deductible, helping a company reduce its tax liability. The federal Internal Revenue Service (IRS) determines if an expense is deductible by considering if it is ordinary, or common within the industry, and necessary.

An expense that meets the definition of ordinary and necessary for business purposes may be expensed for tax purposes. Some expense categories are fully deductible, while others are partial. A tax professional can provide further information on specific deduction regulations and industry standards.



Does

What behavior have we observed?
What can we imagine them doing?



Feels

What are their fears, frustrations, and anxieties?
What other feelings might influence their behavior?



Estimation of Business Expenses

Organization typically accrue some costs during the course of doing business

Understanding a company's expenses and knowing which ones are tax-deductible can also help you prepare a company's taxes.

Accountants and financial leaders can use these expenses to create a company budget, produce income statements or file tax reports.

Business expenses are costs associated with running a company. When you know all of a company's expenses, you can create a more accurate budget and track spending

In this article, we explain what business expenses are, discuss the various types of expenses and list 18 common expense categories you might find in your accounting or financial career.

Expenses are also a part of a company's income sheet. You must know a business's expenses to calculate a final net profit. Costs are subtracted from revenue to determine a company's taxable income.

These expenses remain the same over reporting periods. Examples include rent or insurance payments. They are also known as overhead

These expenses change throughout the reporting period. Examples include shipping costs and utility payments.

These expenses happen occasionally across different reporting periods. Examples include emergency equipment repairs and annual bonuses.