

Self-Employed & 1099 Guide

If you receive 1099 income or run a sole proprietorship, these are the basics to plan, deduct, and stay compliant.

Quarterly estimated taxes

- Pay if you expect to owe \$1,000+ for the year
- Due dates: April 15, June 15, September 15, January 15
- Pay online at IRS Direct Pay or via EFTPS
- Set aside roughly 25–30% of net profit as a starting point

Deductions you can usually claim

- Health insurance premiums (above-the-line)
- SEP-IRA or Solo 401(k) retirement contributions
- Half of self-employment tax
- Business use of vehicle (standard mileage or actual expenses)
- Home office (regular and exclusive use, simplified or actual)
- Software, subscriptions, professional services, supplies

Home office basics

- Space must be used regularly and exclusively for business
- Simplified method: \$5 per sq ft, max 300 sq ft
- Actual method: percentage of home expenses based on sq ft

Records to keep

- Mileage log with date, purpose, and miles
- Receipts (digital is fine) for all expenses
- Bank and processor statements showing income
- Contracts and 1099s received

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