

YOGI &amp; ASSOCIATES

# Canadian Small Business Tax Deduction Checklist

46 deductions every Ontario small business owner should check before filing.

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Ontario Small Business Accountants, Since 1998

This checklist is built for Ontario owner-operators — whether you file as a sole proprietor on the T2125 or run an incorporated business filing a T2. It covers the deductions we see most often across small business files: home office, vehicle, professional fees, CCA, and the rest of the categories the CRA expects to see reviewed before you sign your return. Use it as a pre-flight check with your bookkeeper or accountant — walk down the list and mark anything you've paid for this year so nothing slips through.

**Important:** This is a general checklist. Eligibility for any specific deduction depends on your facts — business structure, how an expense was used, documentation, and the current CRA rules for your industry. Always verify with a qualified accountant before filing. Yogi & Associates does not provide tax advice through this document.

## Home & office expenses

### ■ Home office (business-use-of-home)

Claim a percentage of utilities, rent or mortgage interest, property tax, and insurance based on the square footage used regularly and exclusively for business.

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### ■ Office supplies and stationery

Paper, pens, printer ink, postage, shipping, and small consumables used in day-to-day operations.

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### ■ Software subscriptions

SaaS tools, accounting software, design tools, cloud storage, and CRM subscriptions used for the business.

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### ■ Business phone (pro-rated)

Business-use percentage of cell and landline bills. Keep a reasonable allocation method on file.

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### ■ Business internet (pro-rated)

Business-use percentage of home internet if you work from home, or 100% for a commercial line.

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### ■ Commercial rent

Rent paid for a dedicated business premises, storefront, office, or studio.

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### ■ Commercial utilities

Electricity, heat, water, and waste removal for a non-home business location.

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### ■ Cleaning and maintenance

Janitorial services, repairs, and upkeep for the business premises (home-office share or full).

## Vehicle, travel & meals

### ■ Vehicle expenses

Fuel, insurance, maintenance, licensing, lease payments, and CCA. Apply your business-use percentage from a mileage logbook.

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### ■ Business travel

Flights, hotels, trains, taxis, and ride-share for work trips away from your regular place of business.

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### ■ Meals and entertainment (50%)

Meals with clients or during overnight travel. CRA allows 50% of the cost. Document attendees and business purpose.

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### ■ Parking

Parking for client meetings, site visits, conferences, and business errands. Day-to-day commute parking is not deductible.

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### ■ Conferences and trade shows

Registration fees for up to two conventions per year held within the territorial scope of the sponsoring organization.

## Professional services

### ■ Accounting and bookkeeping fees

Year-end compilation, corporate tax return, bookkeeping, payroll processing, and advisory fees.

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### ■ Legal fees (business matters)

Contracts, incorporation, trademark, collections, and commercial disputes. Personal legal fees are not deductible.

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### ■ Professional association dues

Membership fees for professional bodies required or directly relevant to your trade or profession.

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### ■ Business insurance

Commercial general liability, professional liability (E&O), cyber, and property insurance on business assets.

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### ■ Bank fees and business loan interest

Monthly account fees, wire fees, merchant processing fees, and interest on loans used for business purposes.

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### ■ Advertising and marketing

Digital ads, print, signage, sponsorships, and marketing agency fees. Ads directed primarily at a Canadian market.

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### ■ Website hosting and domain

Hosting, domain renewals, SSL certificates, and developer retainers for the business site.

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### ■ Business subscriptions

Industry publications, research tools, premium newsletters, and trade databases used for the business.

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## Staff, capital assets & other

### ■ Staff costs

Wages, employer CPP and EI, group benefits, WSIB premiums, employer health tax (if applicable), and reasonable bonuses.

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### ■ Contractor fees

Payments to freelancers and subcontractors. Issue a T4A where required for fees of \$500 or more.

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### ■ Training and education

Courses and workshops that maintain or upgrade skills in your current field. General education to enter a new field is not deductible.

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### ■ CCA on equipment

Capital cost allowance on business assets. Common classes include Class 8 (20%, furniture/equipment), Class 10 (30%, vehicles), Class 50 (55%, computers), and Class 53 (50%, manufacturing equipment).

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### ■ Bad debts

Amounts previously included in income that have become uncollectible during the year.

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### ■ Small tools under the limit

Tools and equipment under CRA's low-value thresholds can be expensed rather than capitalized in some cases. Confirm the current threshold with your accountant.

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### ■ Input tax credits (ITCs)

If you are HST-registered, recover HST paid on eligible business expenses through your HST return.

This checklist covers the 40+ most common deductions we see across Ontario small business files. Every situation has nuances — a home-office claim for a realtor looks different from one for an e-commerce operator, and CCA class choices matter more than most owners realize. If you want a review of your specific deductions before filing, book a free consultation at [yogiassociates.ca/book/](https://yogiassociates.ca/book/) or call **905-277-5996**.