

Description of Deductions for Hair Stylists

As a hair stylist, you can deduct business expenses that are "both ordinary and necessary" in the words of the IRS. Expenses are ordinary if they're standard for a professional stylist. They're necessary if they help you in business, even if you could manage without them. If you're an employee, you can deduct only expenses your employer doesn't reimburse. To claim employee expenses, you take an itemized Schedule A deduction.

Clothes

Work clothes are a deductible expense but only if you can't wear them off the job. When you buy a smock or an apron for the salon, for example, you can write off the cost. If you buy something dressier than usual to look fashionable for work, it's not deductible. Even if it's not something you'd choose to wear off the job, you can't deduct it on your taxes.

Licenses

Most states have license requirements for hair stylists. You can write off your fee, both the original and anything you pay to have your license renewed. If you own your own business and have to take out a local business license, that's also deductible. A local license is a permit to operate in a particular city or county, so you need it in addition to your professional license.

Supplies

The cost of supplies or equipment you buy for your business, or that you buy as an employee, are deductible. This includes clippers, combs, scissors, shampoos and blow dryers. Keep receipts for everything you buy, so that you can justify your deductions to the IRS in the face of an audit.

Education

You can't take a write-off for cosmetology classes before you turn pro. The IRS specifically rules out deductions for education "to qualify you for a new trade or business." After you're licensed, you can deduct the cost of classes to improve your job skills or that your employer requires. Subscriptions to hair-style magazines to stay up on current fashions also qualify as a write-off.

Services

Any ordinary and necessary services you pay for are deductible. For example, if you pay to have your scissors sharpened or to get your work clothes dry-cleaned, you can write off the cost. If you pay to have your beauty shop cleaned, that's another deduction. Standard business services -- advertising, insurance, tax prep -- are all deductible.

Equipment, Furniture and Fixtures

If you own a beauty shop and buy equipment—chairs, mirrors, cash registers—they are also deductible. You can depreciate those purchases over time, or you might be able to write off the year of purchase using Section 179.

Capital Expenses

If you opened a salon this year, the IRS treats your start-up expenses -- advertising, rent, buying equipment -- differently from what you spend after your business opens its doors. You can write off \$5,000 off your start-up costs on this year's taxes, but you have to depreciate the rest of the costs over 15 years.