

Bird Business Tax Deductions

Receive tax deductions for your bird business with these tips

By Susan Chamberlain

If you volunteer at a bird club's event, you can deduct mileage and supplies bought.
Courtesy Sandra Humphrey, FL

In the November issue of BIRD TALK, we listed ways to receive tax deductions for your bird business. Here are six more!

1. If you are a professional parrot writer or bird photographer, you can have many of your computer and camera expenses deducted as well as non-reimbursed travel expenses. Don't, however, assume that you can spend a few hours on your project and then frolic for a week in the tropics with Uncle Sam footing the bill. Only the portion of your trip directly related to your business is deductible.
2. You may deduct monetary gifts to your chosen, qualified cause. In addition to your cancelled check, a receipt from the charity is required for gifts of \$250. Beginning in 2007, statements, receipts or bank records are required to substantiate smaller contributions. Trusts and gifts of real estate are major donations that should be discussed with your attorney and tax advisor.
3. If your non-cash donation is worth more than \$500, you will be required to file a special form with your tax return describing the item and its value. Appraisals are required for non-cash donations worth \$5,000 or more. "The most important things you can do," said accountant Bob Dietrich, "are to maintain accurate records to substantiate your deductions and keep those records for seven years."
4. If you volunteer at a bird club's event, you can deduct mileage and supplies bought for the event. If you're going to the club picnic just for pleasure, it's not. Non-reimbursed expenses for stamps and other supplies are also deductible.
5. When you have to take someone to dinner or provide other entertainment for a guest speaker, show judge, potential contributor or other VIP on behalf of your bird club, you may deduct the non-reimbursed cost for the guest, but the cost of your own meal or entertainment is not deductible. If you must travel on club business, non-reimbursed expenses for meals and lodging are deductible.
6. If you are required to wear a special uniform or costume to perform services for your club or other avian charity, such as a parrot costume you wear to promote a bird mart or scrubs when ministering to birds at a sanctuary, the cost and upkeep may be deductible as long as such clothing isn't suitable for general use.

Remember to consult a tax advisor for specific information.